
ASSEMBLY BILL NO. 3—COMMITTEE ON JUDICIARY
(ON BEHALF OF THE STATE GAMING CONTROL BOARD)

PREFILED DECEMBER 19, 2012

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing the enforcement of the tax on live entertainment. (BDR 41-326)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to gaming; revising provisions governing investigations and the initiation of complaints by the State Gaming Control Board for violations relating to the tax on live entertainment; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the State Gaming Control Board to make investigations
2 and to initiate a hearing by filing a complaint with the Nevada Gaming Commission
3 if the Board is satisfied that a person or entity which is licensed, registered, found
4 suitable or found preliminarily suitable or which previously obtained approval for
5 which Commission approval was required or permitted should be limited,
6 conditioned, suspended, revoked or fined. (NRS 463.310) **Section 1** of this bill
7 similarly requires the Board to make investigations and to initiate a hearing by
8 filing a complaint with the Commission if the Board is satisfied that such a person
9 or entity has violated certain provisions relating to the tax on live entertainment.
10 Existing law also: (1) requires a licensed gaming establishment to maintain
11 records relating to, report, pay and truthfully account for the tax on live
12 entertainment; and (2) prohibits certain practices relating to falsifying information
13 or books, records or accounts relating to the tax on live entertainment. (NRS
14 368A.160, 368A.350, 368A.360) **Section 2** of this bill provides that a violation of
15 such provisions by a licensed gaming establishment is an unsuitable method of
16 operation and is subject to investigation and disciplinary proceedings by the Board
17 and Commission.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 463.310 is hereby amended to read as follows:
2 463.310 1. The Board shall make appropriate investigations:

3 (a) To determine whether there has been any violation of this
4 chapter or chapter **368A**, 462, 464, 465 or 466 of NRS or any
5 regulations adopted thereunder.

6 (b) To determine any facts, conditions, practices or matters
7 which it may deem necessary or proper to aid in the enforcement of
8 any such law or regulation.

9 (c) To aid in adopting regulations.

10 (d) To secure information as a basis for recommending
11 legislation relating to this chapter or chapter **368A**, 462, 464, 465 or
12 466 of NRS.

13 (e) As directed by the Commission.

14 2. If, after any investigation the Board is satisfied that:

15 (a) A license, registration, finding of suitability, preliminary
16 finding of suitability, pari-mutuel license or prior approval by the
17 Commission of any transaction for which the approval was required
18 or permitted under the provisions of this chapter or chapter 462, 464
19 or 466 of NRS should be limited, conditioned, suspended or
20 revoked; or

21 (b) A person or entity which is licensed, registered, found
22 suitable or found preliminarily suitable pursuant to this chapter or
23 chapter 464 of NRS or which previously obtained approval for any
24 act or transaction for which Commission approval was required or
25 permitted under the provisions of this chapter or chapter 464 of NRS
26 should be fined,

27 ↳ the Board shall initiate a hearing before the Commission by filing
28 a complaint with the Commission in accordance with NRS 463.312
29 and transmit therewith a summary of evidence in its possession
30 bearing on the matter and the transcript of testimony at any
31 investigative hearing conducted by or on behalf of the Board.

32 3. Upon receipt of the complaint of the Board, the Commission
33 shall review the complaint and all matter presented in support
34 thereof, and shall conduct further proceedings in accordance with
35 NRS 463.3125 to 463.3145, inclusive.

36 4. After the provisions of subsections 1, 2 and 3 have been
37 complied with, the Commission may:

38 (a) Limit, condition, suspend or revoke the license of any
39 licensed gaming establishment or the individual license of any
40 licensee without affecting the license of the establishment;

41 (b) Limit, condition, suspend or revoke any registration, finding
42 of suitability, preliminary finding of suitability, pari-mutuel license,



1 or prior approval given or granted to any applicant by the
2 Commission;

3 (c) Order a licensed gaming establishment to keep an individual
4 licensee from the premises of the licensed gaming establishment or
5 not to pay the licensee any remuneration for services or any profits,
6 income or accruals on the investment of the licensee in the licensed
7 gaming establishment; and

8 (d) Fine each person or entity, or both, which is licensed,
9 registered, found suitable or found preliminarily suitable pursuant to
10 this chapter or chapter 464 of NRS or which previously obtained
11 approval for any act or transaction for which Commission approval
12 was required or permitted under the provisions of this chapter or
13 chapter 464 of NRS:

14 (1) Not less than \$25,000 and not more than \$250,000 for
15 each separate violation of any regulation adopted pursuant to NRS
16 463.125 which is the subject of an initial or subsequent complaint;
17 or

18 (2) Except as otherwise provided in subparagraph (1), not
19 more than \$100,000 for each separate violation of the provisions of
20 this chapter or chapter **368A**, 464 or 465 of NRS or of ~~the~~ **any**
21 regulations ~~of the Commission~~ **adopted thereunder** which is the
22 subject of an initial complaint and not more than \$250,000 for each
23 separate violation of the provisions of this chapter or chapter **368A**,
24 464 or 465 of NRS or of ~~the~~ **any** regulations ~~of the Commission~~
25 **adopted thereunder** which is the subject of any subsequent
26 complaint.

27 ➤ All fines must be paid to the State Treasurer for deposit in the
28 State General Fund.

29 5. For the second violation of any provision of chapter 465 of
30 NRS by any licensed gaming establishment or individual licensee,
31 the Commission shall revoke the license of the establishment or
32 person.

33 6. If the Commission limits, conditions, suspends or revokes
34 any license or imposes a fine, or limits, conditions, suspends or
35 revokes any registration, finding of suitability, preliminary finding
36 of suitability, pari-mutuel license or prior approval, it shall issue its
37 written order therefor after causing to be prepared and filed its
38 written decision upon which the order is based.

39 7. Any such limitation, condition, revocation, suspension or
40 fine so made is effective until reversed upon judicial review, except
41 that the Commission may stay its order pending a rehearing or
42 judicial review upon such terms and conditions as it deems proper.

43 8. Judicial review of any such order or decision of the
44 Commission may be had in accordance with NRS 463.315 to
45 463.318, inclusive.



- 1 **Sec. 2.** NRS 368A.360 is hereby amended to read as follows:
2 368A.360 *1.* Any licensed gaming establishment liable for
3 the payment of the tax imposed by NRS 368A.200 who willfully
4 fails to report, pay or truthfully account for the tax is subject to the
5 ~~revocation of~~ *investigatory and disciplinary proceedings that are*
6 *set forth in NRS 463.310 to 463.318, inclusive, and may have* its
7 gaming license *revoked* by the Commission.
8 *2. A violation of any provision of this chapter, or any*
9 *regulation adopted pursuant thereto, by a licensed gaming*
10 *establishment is:*
11 *(a) An unsuitable method of operation; and*
12 *(b) Subject to the investigatory and disciplinary proceedings*
13 *that are set forth in NRS 463.310 to 463.318, inclusive, and shall*
14 *be punished as provided in those sections.*
15 **Sec. 3.** This act becomes effective upon passage and approval.

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