

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON JUDICIARY

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
April 22, 1981

The Senate Committee on Judiciary was called to order by Chairman Melvin D. Close, Jr., at 8:05 a.m., Wednesday, April 22, 1981, in Room 213 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Melvin D. Close, Jr., Chairman
Senator Keith Ashworth, Vice Chairman
Senator Don W. Ashworth
Senator Jean E. Ford
Senator William J. Raggio
Senator William H. Hernstadt
Senator Sue Wagner

STAFF MEMBERS PRESENT:

Sally Boyes, Committee Secretary

SENATE BILL NO. 312: (Exhibit C)

Repeals statutory prohibition of lotteries.

Senator Don Ashworth stated the bill might be premature because of a Constitutional amendment.

Senator Don Ashworth moved that Senate Bill No. 312 be indefinitely postponed.

Senator William Raggio seconded the motion.

The motion carried unanimously. (Senators Keith Ashworth and William Hernstadt were absent for the vote).

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SENATE JOINT RESOLUTION NO. 23: (Exhibit D)

Proposes to amend Nevada constitution to permit operation of lotteries by state for specific purposes.

Senator Ford moved that Senate Joint Resolution No. 23 be indefinitely postponed.

Senator Don Ashworth seconded the motion.

The motion carried unanimously. (Senators Keith Ashworth and William Hernstadt were absent for the vote).

SENATE BILL NO. 265: (Exhibit E)

Requires petition for appointment of supervisor and impoundment of revenue when license of gaming establishment is revoked or suspended.

Senator William Raggio moved that Senate Bill No. 265 be indefinitely postponed.

Senator Don Ashworth seconded the motion.

The motion carried unanimously. (Senators Jean Ford and William Hernstadt were absent for the vote).

SENATE BILL NO. 67:

Transfers control of pari-mutuel wagering at racetracks to gaming authorities.

Senator Kosinski stated that Senate Bill No. 67 is a product of the Sunset Committee, an interim subcommittee which reviewed three agencies, one of which was the Racing Commission. During the hearings on that agency, the committee became concerned about the changes that were going on within the Racing Commission. The concern was the resources that were available to the commission were possibly not adequate for regulation of the Henderson Dog Track. The recommendation was made that the gaming subcommittee look into that issue.

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The subcommittee agreed to introduce this bill to force review by the Judiciary Committee during this session of the problem. The Racing Commission was dealing with an amount in the area of \$10,000.00 worth of pari-mutuel revenue and the anticipation was for an increase of eighteen to thirty-seven million dollars worth of revenue. A review of the minutes of the 1979 session indicated there was no discussion of this transition in either of the Judiciary Committees and that two Finance Committees had not gotten into the problems of the rapid growth and transition within that commission. The feeling was that the 1981 Legislature should review this problem. Senator Close and Senator Kosinski's names appear on the bill because when the report was brought into the committee, there was a refusal to sponsor the bill.

Chairman Close stated there was testimony before the Gaming Subcommittee on the issue. The feeling was the Gaming Control Board should investigate and the Racing Commission should be allowed to make the adjustments on the same basis as the Gaming Control Commission. Senator Kosinski stated the present law stated the board does conduct the investigation and it is then sent to the Racing Commission; it cannot make a recommendation. He asked if the board should be making a recommendation and if it should be under the same type of restraints as the Gaming Commission is presently. There was another consideration for taking pari-mutuel entirely away from the commission and giving it to the Gaming Control Board and the Gaming Commission for regulatory purposes. The language of this bill states that idea. Mr. Bunker gave testimony to this issue also.

Senator Keith Ashworth stated Mr. Bunker felt control should be given on a all or nothing basis.

Chairman Close stated Mr. Bunker spoke to him in regard to the racing aspect; he felt jockeys, weighing in of jockeys and the dogs should be in the hands of the Racing Commission. Senator Kosinski stated presently the Gaming Control Board and Gaming Commission do regulate pari-mutuel and the Jai Alai area.

Senator Wagner stated the bill does not address the weighing in of the jockeys; it would still allow the Racing Commission

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to handle that. Chairman Close stated it would allow the Racing Commission to handle matters involved with racing.

Senator Hernstadt asked who would pay the staff if the Gaming Commission is assigned to this; there will have to be more people.

Senator Kosinski stated presently a portion of the pari-mutuel revenue does go to the state. He thought it was two percent but was not sure. He stated one percent goes to the city if there is dog racing; if there is no dog racing, the city receives nothing; a portion is put aside "for handles" and the rest is put in the state general fund. There is revenue going into the general fund that some could argue is being used to fund personnel of the Gaming Control Board. Senator Hernstadt stated more personnel would be needed.

Senator Keith Ashworth stated the pari-mutuel amounts to a person sitting behind the board computing the odds and percentages. It takes very little time. There is more involvement with the investigation end of the operations of the track.

Senator Hernstadt asked if the control should stay where it is. Senator Keith Ashworth stated he felt it should; there was no problem. He further stated the breakdown of the monies involved was a matter of percentages; a division of the money is figured out and the checks are sent to those involved. Senator Kosinski stated that process is done by computers.

Senator Kosinski stated the Sunset Committee also considered should the licensing of the track operators be challenged successfully, the adverse publicity could effect the entire gaming industry, rather than just the pari-mutuel aspect of gaming. There would be many people, particularly out of state people, who would not understand there are two separate regulatory structures for those two kinds of activities. The integrity of the entire gaming industry could be involved in what is happening with the racing industry.

Chairman Close stated he felt all gaming should be under the offices of the Gaming Control Board and Commission; the

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Racing Commission should handle the details of racing.

Senator Raggio stated the Racing Commission has done a capable job on this issue so far. He said there has been no complaints on the handling of the operation or the pari-mutuel operation or the distribution of the proceeds as far as he was aware of. He stated pari-mutuel is not a gaming problem; it is strictly a percentage of every dollar that is bet. He asked why take the authority of the Racing Commission away.

Senator Wagner asked the committee feelings about the wording on page two in regard to the licensing procedure and the investigation of applicants. Senator Raggio stated he felt there was nothing wrong with the present procedure.

Senator Hernstadt asked if any testimony was made in regard to transferring the entire operation to the Gaming Control Board. Chairman Close stated that was not a serious consideration as far as the racing aspect was concerned.

Senator Raggio asked, why mix agencies into one area without there being any compulsion; if nothing has happened, there is no need. Chairman Close stated the need is due to the growth of racing.

Senator Kosinski stated there has been no real scandal in the racing industry, but it has only been operating two or three months. Should a scandal come, it may be too late to handle the problem; damage is already done when a scandal comes.

Senator Raggio stated the Racing Commission should handle this until it is shown otherwise that the commission cannot handle it. Senator Hernstadt stated he felt the control should be totally isolated from the Gaming Commission and the Racing Commission; only the Racing Commission should handle racing.

Chairman Close stated there are two elements of Senate Bill No. 67 that need to be decided on. On page two, line three through eight, there is a recommendation there must be a unanimous decision when a procedure recommendation is denied;

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the Control Board recommends that procedure to the Gaming Commission. The committee agreed that change was acceptable. Senator Raggio stated that for future reference, he felt a unanimous vote was not necessary, even in gaming.

Senator Keith Ashworth stated gaming was declared a privileged industry; horse and dog racing are not. Chairman Close stated the next portion was whether or not to have pari-mutuel part of the gaming or racing commission.

Senator Don Ashworth moved that Senate Bill No. 67 be pari-mutuel controlled by the Racing Commission.

Senator Raggio seconded the motion.

The motion carried unanimously. (Senator Hernstadt was absent for the vote).

Chairman Close stated the next change relating to Senate Bill No. 67 was raising the bond from \$50,000 to \$100,000; page two, line 35.

Senator Wagner moved the change be included in the amendment.

Senator Ford seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 183: (Exhibit F)

Reestablishes Nevada Racing Commission and reenacts and amends Nevada Racing Act.

Senator Kosinski stated this bill is the result of the Sunset Committee's effort over the last Interim Committee.

Senator Wagner asked if this bill reestablishes the commission. Senator Kosinski stated that was correct. There were some changes for the qualifications of a commission member, the age restriction was omitted, the five year resident of the state was deleted, changing it to merely a state resident and a citizen of this country, compensation was provided, clerical

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workers were not to be exempt from N.R.S. 284 making this similar to practices of the Gaming Control Board.

Senator Wagner stated the intent was also changed. Senator Kosinski stated, on page one, section one, line two, the committee was not able to satisfy themselves that the commission was serving the purpose of encouraging agriculture in the state; the purpose clause was amended to reflect more accurately what was going on in the industry. He stated there were also some accounting changes in section seven on page three. Mr. John Crossley, Chief Auditor, Legislative Council Bureau, testified in regard to those provisions.

Senator Ford stated that exhibit was in the February 16, 1981 meeting minutes.

Senator Raggio asked about the compensation for the Board of Commission; it was changed from \$40.00 to \$60.00. Senator Wagner stated right now there was no compensation. Senator Kosinski stated the practice in two other committees was not to make individual changes for particular boards, in anticipation of the new bill the Governor is drafting.

Senator Raggio asked why quarter horse and thoroughbred was being amended to read "Nevada Bred Horses". Senator Hernstadt stated that was to include other breeds of horses.

Senator Keith Ashworth stated taking out "or horse" on page two, section four, was prohibiting a commission member to have a horse in a race in which they were acting in an official manner.

Senator Hernstadt said that should be taken out. Those people acting as a commission member may only have one horse; greyhounds are run differently than horses and they run several dogs at the same time.

Chairman Close stated, should a member be allowed to run a horse, then there would be a member involved in the race or the gaming aspect of the operation.

Senator Wagner stated there could be a problem in section eight, whereby 10 percent of the purse money is paid to the

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breeder, should a commission member also be a breeder.

Chairman Close stated sections one and two were acceptable. In section three, Senator Don Ashworth asked why the residency requirement was deleted. Senator Wagner said it was too specific and it was amended to read residents of Nevada.

Senator Ford stated a commission member should not be acting in an official capacity at a race in which their own horse is racing. Senator Wagner stated that change should be placed on page four, lines 44 through 49.

Senator Keith Ashworth stated this bill is precluding the people that have made racing a part of Nevada. It is saying they cannot race a horse and be a commission member.

Senator Keith Ashworth made a motion to amend Senate Bill No. 183 to put the restriction on the commission member at a race.

Senator Hernstadt seconded the motion.

Senators Raggio, Keith Ashworth, Hernstadt and Ford voted in favor of the motion. Senators Wagner and Close voted against the motion. (Senator Don Ashworth was absent for the vote).

Chairman Close asked if the charge of \$40.00 per day should be broken down into increments as the Gaming Commission is doing. The committee agreed to leave section five as it was. The committee agreed to have section six read "the same as provided in N.R.S. 284".

Senator Raggio made a motion that section seven of Senate Bill No. 183 comply with the letter of Mr. John Crossley, of February 10, 1981.

Senator Wagner seconded the motion.

The motion was carried unanimously. (Senators Hernstadt and Don Ashworth were absent for the vote).

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Senator Keith Ashworth stated, in section eight it would read "Nevada Bred Horse" and the committee agreed.

The committee agreed to change line 11, section 10. Senator Wagner stated section 11 is where the language will be added to restrict a commission member from racing a horse in the same race in which he is acting in an official capacity.

Senator Ford stated section 12, page two, line 46 should be left as it is. The committee agreed.

Senator Ford moved to amend and do pass Senate Bill No. 183.

Senator Hernstadt seconded the motion.

The motion carried unanimously. (Senator Raggio abstained from the vote).

Ms. Patty Becker, Deputy Attorney General, Gaming Division, stated the cost of an investigation can be charged to the applicant. Senator Ford stated that should be on page two, line three. Ms. Becker stated there should also be a stipulation saying a written recommendation shall be given only for a denial.

Senator Keith Ashworth moved to reamend section seven.

Senator Don Ashworth seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 385: (Exhibit G)

Amends provisions relating to issuance and expiration of work permits for gaming employees.

Senator Keith Ashworth stated he felt this was a county choice and not a state problem.

Senator Ford stated the county should decide how the process

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should be handled.

Senator Wagner moved to leave subsection four, page two, the way the statutes presently read.

Senator Keith Ashworth seconded the motion.

Senators Wagner, Keith Ashworth, Ford, Close and Raggio voted for the motion. Senators Hernstadt and Don Ashworth voted against the motion.

The motion carried with a five to two decision.

Senator Don Ashworth stated there was objection to the word applicant in section five of Senate Bill No. 385.

Senator Ford moved to amend and do pass Senate Bill No. 385, keeping subsections five and six, pages two and three.

Senator Wagner seconded the motion.

Senators Wagner, Ford, Hernstadt and Raggio voted in favor of the motion. Senators Don Ashworth and Keith Ashworth voted against the bill. (Chairman Close was absent for the vote).

The motion carried with a four to two decision.

SENATE BILL NO. 413: (Exhibit H)

Makes various changes in provisions regarding supervision of certain gaming establishments.

Senator Keith Ashworth moved to amend and do pass Senate Bill No. 413.

Senator Ford seconded the motion.

The motion carried six to one with Senator Don Ashworth voting against the motion.

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SENATE BILL NO. 414: (Exhibit I)

Limits requirements for termination of employment of persons denied gaming license.

Senator Wagner moved to do pass Senate Bill No. 414.

Senator Don Ashworth seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 418: (Exhibit J)

Authorizes State Gaming Control Board to charge for cost of certain investigations outside state after licensing or registration.

Ms. Patty Becker stated, under the present law a charge cannot be made for an investigation after licensing. Should this bill be passed, then a charge can be made. Ms. Becker stated section two should be deleted. Senator Hernstadt asked why. Ms. Becker stated if there is a confidential investigation, no cost is assessed. The charges are discretionary. Should there be a complaint filed after investigation, costs can be returned.

Senator Ford moved amend and do pass Senate Bill No. 418, deleting lines 12 and 14.

Senator Don Ashworth seconded the motion.

No action was taken on this motion.

Senator Raggio stated if no complaint was filed, he felt the charge should not be made. He felt the licensee that has no fault should not be charged.

Senator Don Ashworth stated he felt the charges should be paid by the licensee because the commission would not start an investigation without good cause. The cost of investigation is an expense of the industry.

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Chairman Close asked who pays for an investigation in the case of a suspected skimming in a casino; the findings are there has been no skimming and the casino is operated in the guidelines of the commission. Ms. Becker stated the state pays the bill, under the present law. Chairman Close asked what happens if a complaint is filed. Ms. Becker stated a complaint is filed and as part of the complaint, a request is made for costs of investigation and fines.

Ms. Becker stated this applies only to out of state investigations. Senator Raggio stated the bill did not state that. Senator Wagner stated the bill should be tightened up.

Due to the lack of time, the discussion on this bill was continued on Thursday, April 23, 1981.

The meeting adjourned at 10:55 a.m.

Respectfully submitted by:

Sally Boyes
Sally Boyes, Secretary

APPROVED BY:

Mel D. Close, Jr.
Senator Melvin D. Close, Jr., Chairman

DATED: *April 30, 1981*

SENATE AGENDA

COMMITTEE MEETINGS

Committee on JUDICIARY, Room 213.

Day Wednesday, Date April 22, Time 8:00 a.m.

Work Session

ATTENDANCE ROSTER FOR

COMTEE MEETINGS

SENATE COMMITTEE ON JUDICIARY

DATE: April 23, 1981

PLEASE PRINT

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NAME

ORGANIZATION & ADDRESS

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THOMAS R. PUGH

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S. B. 312

SENATE BILL NO. 312—COMMITTEE ON JUDICIARY

FEBRUARY 25, 1981

—
Referred to Committee on Judiciary

SUMMARY—Repeals statutory prohibition of lotteries. (BDR 41-823)

**FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.**



EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to lotteries; repealing the statutes which prohibit lotteries; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

1 **SECTION 1. NRS 207.080 is hereby amended to read as follows:**
2 **207.080 1. For the purpose of NRS 207.080 to 207.150, inclusive,**
3 **a "convicted person" is defined as:**
4 **(a) Any person who, before or after March 15, 1955, was or is con-**
5 **vinced of an offense punishable as a felony in the State of Nevada, or**
6 **who has been or who is hereafter convicted of any offense in any place**
7 **other than the State of Nevada, which offense, if committed in the State**
8 **of Nevada, would be punishable as a felony.**
9 **(b) Any person who, before or after March 15, 1955, was or is con-**
10 **vinced in the State of Nevada, or elsewhere, of the violation of any law,**
11 **whether the violation is or is not punishable as a felony:**
12 **(1) Relating to or regulating the possession, distribution, furnishing**
13 **or use of any habit-forming drug of the kind or character described and**
14 **referred to in the Uniform Narcotic Drug Act.**
15 **(2) Regulating or prohibiting the carrying, possession or ownership**
16 **of any concealed weapon, or deadly weapon, or any weapon capable of**
17 **being concealed, or regulating or prohibiting the possession, sale or use**
18 **of any device, instrument or attachment designed or intended to be used**
19 **for the purpose of silencing the report or concealing the discharge or**
20 **flash of any firearm.**
21 **(3) Regulating or prohibiting the use, possession, manufacture or**
22 **compounding of tear gas, or any other gas, which may be used for the**
23 **purpose of temporarily or permanently disabling any human being.**
24 **(c) Any person who, before or after March 15, 1955, was or is con-**
25 **vinced of a crime in the State of Nevada, under the provisions of one or**

1 more of NRS 122.220, 201.120 to 201.170, inclusive, 201.249, 201.251,
2 201.270, 201.360 to 201.400, inclusive, 201.420, 202.010, 202.040,
3 202.055, 202.200 to 202.230, inclusive, 212.170, 212.180, 433.-
4 564, 451.010 to 451.040, inclusive, 452.300, [462.010 to 462.080,
5 inclusive,] 465.030 to 465.070, inclusive, 646.010 to 646.060, inclu-
6 sive, 647.095, 647.100, 647.110, 647.120, 647.130, 647.140 and 647.-
7 145, or who, before or after March 15, 1955, was or is convicted, in any
8 place other than the State of Nevada, of an offense which, if committed
9 in this state, would have been punishable under one or more of such
10 sections.

11 (d) Any person who, before or after March 15, 1955, was or is con-
12 victed in the State of Nevada or elsewhere of any attempt or conspirac-
13 to commit any offense described or referred to in NRS 207.080 to 207.-
14 150, inclusive.

15 2. Any person, except as set forth in NRS 207.090 to 207.150, inclu-
16 sive, whose conviction is or has been set aside in the manner provided by
17 law shall not be deemed a convicted person.

18 SEC. 2. NRS 462.010 to 462.080, inclusive, are hereby repealed.

S. J. R. 23

SENATE JOINT RESOLUTION NO. 23—SENATORS
FAISS AND RAGGIO

FEBRUARY 25, 1981

Referred to Committee on Judiciary

SUMMARY—Proposes to amend Nevada constitution to permit operation of lotteries by state for specific purposes. (BDR C-572)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.



EXPLANATION—Matter in italics is new; matter in brackets [] is material to be omitted.

SENATE JOINT RESOLUTION—Proposing to amend the Nevada constitution to permit the operation of lotteries by the state for specific purposes.

- 1 *Resolved by the Senate and the Assembly of the State of Nevada,*
- 2 *jointly, That section 24 of article 4 of the constitution of the State of*
- 3 *Nevada be amended to read as follows:*
- 4 **[SEC:]** *Sec. 24. [No] 1. Except as provided in subsection 2, no*
- 5 *lottery [shall] may be authorized by this [State, nor shall the sale of]*
- 6 *state, nor may lottery tickets be [allowed.] sold.*
- 7 *2. This state may operate a lottery, but the proceeds of the lottery*
- 8 *may be used only to benefit older residents and for educational purposes.*

S. B. 265

SENATE BILL NO. 265—SENATOR NEAL

FEBRUARY 19, 1981

Referred to Committee on Judiciary

SUMMARY—Requires petition for appointment of supervisor and impoundment of revenue when license of gaming establishment is revoked or suspended. (BDR 41-479)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the supervision of gaming; requiring a petition for the appointment of a supervisor and impoundment of the revenue; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 463B.080 is hereby amended to read as follows:
- 2 463B.080 1. Except as provided in subsection 5, if the license of any
- 3 person whose license is essential to the operation of a gaming establish-
- 4 ment:
- 5 (a) Is revoked by the commission or by a court of this state;
- 6 (b) Is suspended by the commission; or
- 7 (c) Has not been renewed by the commission for a failure to comply
- 8 with a condition which was previously placed on the license,
- 9 the commission may ex parte petition the district court for the county in
- 10 which the gaming establishment is located for appointment by the court
- 11 of a supervisor to manage the establishment [.] and shall so petition the
- 12 district court if the establishment has 15 or more employees.
- 13 2. The petition must contain the names of two or more persons who
- 14 the commission believes are suitable and qualified to manage a gaming
- 15 establishment and are available for appointment as a supervisor.
- 16 3. Upon receipt of such a petition, the court shall appoint as super-
- 17 visor of the gaming establishment a person who is listed in the petition.
- 18 The court shall immediately notify the commission of the appointment.
- 19 Upon receipt of notice from the court, the commission shall immediately
- 20 notify all interested licensees.
- 21 4. The petition may be presented pursuant to this section even if
- 22 time has not expired for a petition for judicial review of the final deter-
- 23 mination of the commission to revoke or suspend the gaming license.

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1 5. The commission shall not petition any court for the appointment
2 of a supervisor pursuant to this section if:

3 (a) The gaming establishment has never been in operation and opened
4 to the public.

5 (b) A rehearing has been granted by the commission to the licensee
6 on the revocation or suspension of his license and the rehearing has not
7 been concluded.

8 SEC. 2. NRS 463B.200 is hereby amended to read as follows:

9 463B.200 [Subject to prior approval by the court which appointed
10 him, a supervisor may, consistently with regulations to be adopted by the
11 commission, make periodic distribution of earnings to its former legal
12 owners.] *The state shall impound the net revenue which is earned by a
13 gaming establishment from the date on which supervision begins to the
14 date on which the validity of the suspension or revocation of the gaming
15 license is decided.*



(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 183

SENATE BILL NO. 183—COMMITTEE ON JUDICIARY

FEBRUARY 3, 1981

Referred to Committee on Judiciary

SUMMARY—Reestablishes Nevada racing commission and reenacts and amends Nevada Racing Act. (BDR 41-117)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the Nevada racing commission; providing for its reestablishment; abolishing Nevada racing commission fund; providing compensation for commission members; changing commission membership qualifications; providing that employees of the commission be in the unclassified service of the state; reenacting and amending the Nevada Racing Act; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 466.015 is hereby amended as follows:
 2 466.015 The [purpose] purposes of this chapter [is] are to encour-
 3 age [agriculture and] the breeding of horses and greyhounds in this state
 4 [and] , to produce an additional source of revenue for the state [.] and
 5 to protect the general public.
- 6 SEC. 2. NRS 466.030 is hereby amended to read as follows:
 7 466.030 1. The Nevada racing commission, consisting of five mem-
 8 bers appointed by the governor, is hereby created.
- 9 2. The jurisdiction, supervision, powers and duties of the commission
 10 extend to all persons, associations or corporations which hold or conduct
 11 any meeting within the State of Nevada where any racing is permitted for
 12 any stake, purse or reward.
- 13 3. The commission [may] shall adopt regulations for the conduct of
 14 horse and greyhound racing.
- 15 SEC. 3. NRS 466.040 is hereby amended to read as follows:
 16 466.040 1. The governor shall appoint five members who [:
 17 (a) Have resided in the State of Nevada for at least 5 years preceding
 18 such appointment;
 19 (b) Are qualified electors; and
 20 (c) Are not less than 35 years of age at the time of the appointment.]
 21 are:
 22 (a) Residents of Nevada; and

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1 (b) *Citizens of the United States.*

2 2. The governor shall designate a member to serve as chairman.

3 3. Not more than three of the members may be of the same political
4 party.

5 4. A person is not eligible for appointment if he:

6 (a) Holds any official relation to any association or corporation
7 engaged in or conducting racing within the State of Nevada;

8 (b) Holds stock or bonds therein; or

9 (c) Has any pecuniary interest therein.

10 5. [Before entering upon the discharge of the duties of his office
11 each member of the commission shall take an oath that he will well and
12 faithfully execute all and singular the duties pertaining to his office
13 according to the laws of the State of Nevada and the regulation adopted
14 by the commission.

15 6.] The governor may remove any member of the commission for
16 inefficiency, neglect of duty or misconduct in office.

17 SEC. 4. NRS 466.050 is hereby amended to read as follows:

18 466.050 The commission shall meet at such time and places within
19 the State of Nevada as the commission [shall determine.] *determines.*
20 The members of the commission [shall be] *are* entitled to receive as
21 compensation \$40 for each day actually employed on the work of the
22 commission, in addition to the travel expenses and per diem expense
23 allowance as provided by law. [for each meeting of the commission
24 attended and each race meeting personally supervised.] A majority of
25 the members of the commission [shall] constitute a quorum for the
26 transaction of any business, for the performance of any duty, or for the
27 exercise of any power of the commission.

28 SEC. 5. NRS 466.060 is hereby amended to read as follows:

29 466.060 1. The commission shall appoint a secretary of the com-
30 mission who shall serve during the pleasure of the commission. The secre-
31 tary shall keep a record of all proceedings of the commission, and shall
32 preserve all books, maps, documents and papers belonging to the com-
33 mission or entrusted to its care. The records of the commission [shall be]
34 *are* open for inspection at all reasonable times. The secretary shall per-
35 form such other duties as the commission may prescribe.

36 2. The commission may appoint such other officers, clerks, stenogra-
37 phers, inspectors, experts, attorneys and employees as may be necessary,
38 all of whom shall serve during the pleasure of the commission.

39 3. *The personnel of the commission, except clerical employees, are*
40 *exempt from the provisions of chapter 284 of NRS. They are entitled to*
41 *such leaves of absence as the board prescribes, but such leaves must not*
42 *be of a lesser duration than those provided for other state employees pur-*
43 *suant to chapter 284 of NRS.*

44 4. No person [shall be] *is* eligible [for appointment or] *to* be
45 appointed by the commission, or *to* hold any office or position under the
46 commission, who:

47 (a) Holds any official relation to any association or corporation
48 engaged in or conducting racing within the State of Nevada; or

49 (b) Holds stock or bonds therein; or

50 (c) Has any pecuniary interest therein.

SEC. 6. NRS 466.080 is hereby amended to read as follows:

466.080 [1. The Nevada racing commission fund is created as a special revenue fund. The commission shall deposit with the state treasurer for credit to the fund periodically, as collected, out of the proceeds of the taxes imposed by NRS 466.125, an amount equal to 1 percent of all money handled by each pari-mutuel licensee.

2. The commission shall deposit with the state treasurer for credit to the state general fund, periodically as collected, all fees imposed by NRS 466.120 and the remainder of the taxes imposed by NRS 466.125.

3. The commission may, out of the Nevada racing commission fund:
(a) Pay the necessary and proper expenses of the commission for the efficient administration of this chapter, in the same manner as other claims against the state are paid.

(b) Retain, on July 1 of each year, a cash balance of \$10,000 for those expenses.

4.] The commission [shall,] may, on July 1 of each year, distribute [the remaining cash balance in excess of \$10,000 of the Nevada racing commission fund], within the limits of legislative appropriations, money to those agricultural associations in this state which have conducted race meets without [state aid or] aid from any agricultural district or county, in proportion to the amount of license fees and taxes paid to the commission by each association.

SEC. 7. NRS 466.085 is hereby amended to read as follows:

466.085 In keeping with the purpose of this chapter to encourage [agriculture and] the breeding of horses in this state, the commission shall pay a sum equal to 10 percent of the first money of every purse won by a Nevada-bred [thoroughbred or quarter] horse at a race meeting [shall be paid by the commission] to the breeder of [such] that animal if [moneys for such purpose are available in the fund controlled by the commission pursuant to NRS 466.080.] money is appropriated for that purpose.

SEC. 8. NRS 466.105 is hereby amended to read as follows:

466.105 1. Every application for a license to conduct pari-mutuel wagering under this chapter [shall] must be made upon forms prescribed and furnished by the racing commission.

2. The Nevada racing commission shall refer such applications to the Nevada gaming commission for investigation, by the state gaming control board, of the applicant, including officers and directors thereof. Such investigations [shall] must be conducted in the same manner as those for gaming license applicants but subject to the [rules and] regulations of the racing commission.

3. The cost of each investigation made pursuant to this section [shall] must be paid by the applicant. Investigation costs [shall] must be charged on the same basis as those for gaming license investigations.

4. The Nevada gaming commission, through the state gaming control board, shall investigate such persons and applicants as are referred by the racing commission and shall make a full and complete report thereof, including a recommendation whether to approve or deny the license, to the racing commission.

SEC. 9. NRS 466.125 is hereby amended to read as follows:

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1 466.125 1. Each licensee conducting racing with pari-mutuel wager-
2 ing shall pay to the commission for the use of the State of Nevada a tax
3 at the rate of 3 percent on all pari-mutuel moneys handled on horse
4 races and 4 percent on all pari-mutuel moneys handled on greyhound
5 races during the race meeting. [1 percent of which shall be paid to the
6 commission pursuant to NRS 466.080, and for greyhound races, 1 per-
7 cent of which shall] *For greyhound races, one-fourth of the money paid to*
8 *the commission must be paid to the city in which the races are to be con-*
9 *ducted or if the race is to be conducted outside any city, to the county*
10 *in which the race is to be conducted.*

11 2. State fair associations, agricultural societies, county fair and recre-
12 ation boards and county agricultural associations are to pay 1 percent
13 only of total pari-mutuel moneys handled during race meetings.

14 SEC. 10. NRS 466.170 is hereby amended to read as follows:

15 466.170 1. The commission [may make and adopt rules and regula-
16 tions, and thereafter modify the same,] *shall adopt regulations provid-*
17 *ing for the pari-mutuel method of wagering on races and for the licensing,*
18 *supervising, disciplining, suspending, fining and barring from racing, on*
19 *any track under the jurisdiction of the commission, of horses, grey-*
20 *hounds, owners, breeders, authorized agents, subagents, nominators,*
21 *trainers, jockeys, jockey apprentices, jockey agents and any other person,*
22 *persons, organizations, associations or corporations, the activities of*
23 *whom affect the conduct or operation of licensed race meetings.*

24 2. At a licensed race meeting or race, a person shall not enter a
25 horse or greyhound or participate as an owner, agent, nominator,
26 trainer, jockey, jockey apprentice, or jockey agent, without first procur-
27 ing from the commission a license so to do, and paying such fees as the
28 commission shall determine to be reasonable therefor. The commission
29 is authorized to issue such licenses, and may revoke [the same] *them*
30 *at any time for cause.*

31 3. The [rules and] regulations of the commission may include, but
32 are not limited to, the following:

33 (a) A requirement for fingerprinting, or other method of identification,
34 of applicants and licensees;

35 (b) A requirement for information concerning applicants' antecedents,
36 habits and character; and

37 (c) The procedure and form of application which applicants shall fol-
38 low and complete prior to consideration of their applications by the
39 commission.

40 4. If [any] *one* member of the commission is a resident within an
41 agricultural district which is conducting racing, [such member shall be]
42 *that member is the representative of the commission at [such] that race*
43 *meeting. If more than one member of the commission is a resident within*
44 *such a district, the commission shall determine how it is represented at*
45 *the race meeting.*

46 5. *No member of the commission who officially represents the com-*
47 *mission at a race may own or otherwise have any financial interest in*
48 *any horse entered in that race.*

49 SEC. 11. NRS 284.013 is hereby amended to read as follows:

1 284.013 1. Except for the provisions of NRS 284.182, this chapter
2 does not apply to:

3 (a) Agencies, bureaus, commissions, officers or personnel in the legis-
4 lative department or the judicial department of state government; or

5 (b) **[Members of the Nevada gaming commission or members of the**
6 **state gaming control board.]** *Officers or employees of any agency of the*
7 *executive department of the state government who are exempted by spe-*
8 *cific statute.*

9 2. Terms and conditions of employment of all persons referred to in
10 subsection 1, including salaries not set forth in NRS 284.182 and leaves
11 of absence (including, without limitation, annual leave and sick and disa-
12 bility leave), must be fixed by the appointing or employing authority
13 within the limits of legislative appropriations or authorizations, but
14 leaves of absence so prescribed must not be of lesser duration than
15 those provided for other state officers and employees pursuant to the
16 provisions of this chapter.

17 SEC. 12. Section 9 of chapter 688, Statutes of Nevada 1979, at
18 page 1841, is hereby amended to read as follows:

19 Sec. 9. Unless continued or reestablished by express act of the
20 legislature, the following agencies terminate on July 1, 1981:

21 1. **[The Nevada racing commission.**

22 **2.]** The bureau of community health services established by the
23 state board of health.

24 **[3.]** 2. The real estate division of the department of commerce.

25 SEC. 13. Sections 10 and 11 of chapter 688, Statutes of Nevada
26 1979, at page 1841, are hereby repealed.

27 SEC. 14. When the state controller closes the books for the fiscal
28 year ended June 30, 1981, he shall transfer any assets remaining in the
29 Nevada racing commission fund to the state general fund.

30 SEC. 15. This section and sections 12 and 13 of this act shall become
31 effective upon passage and approval. The remaining sections shall
32 become effective on July 1, 1981.

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(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 385

SENATE BILL NO. 385—COMMITTEE ON JUDICIARY

MARCH 9, 1981

Referred to Committee on Judiciary

SUMMARY—Amends provisions relating to issuance and expiration of work permits for gaming employees. (BDR 41-1047)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to gaming licensing and control; requiring the state gaming control board to provide underlying facts when it denies or objects to the issuance of work permits; revising procedures on effectiveness of work permits when holders change employment; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 463.335 is hereby amended to read as follows:
- 2 463.335 1. As used in this section:
- 3 (a) "Gaming employee" means any person connected directly with
- 4 the operation of a gaming establishment licensed to conduct any game,
- 5 16 or more slot machines, a horse race book, sports pool or pari-mutuel
- 6 wagering, including:
- 7 (1) Boxmen;
- 8 (2) Cashiers;
- 9 (3) Change personnel;
- 10 (4) Counting room personnel;
- 11 (5) Dealers;
- 12 (6) Floormen;
- 13 (7) Hosts or other persons empowered to extend credit or com-
- 14 plimentary services;
- 15 (8) Keno runners;
- 16 (9) Keno writers;
- 17 (10) Machine mechanics;
- 18 (11) Odds makers and line setters;
- 19 (12) Security personnel;
- 20 (13) Shift or pit bosses;
- 21 (14) Shills;
- 22 (15) Supervisors or managers; and
- 23 (16) Ticket writers.

1 "Gaming employee" does not include bartenders, cocktail waitresses or
2 other persons engaged in preparing or serving food or beverages.

3 (b) "Temporary work permit" means a work permit which is valid
4 only for a period not to exceed 90 days from its date of issue and is not
5 renewable.

6 (c) "Work permit" means any card, certificate or permit issued by the
7 board or by a county or city licensing authority, whether denominated
8 as a work permit, registration card or otherwise, authorizing the employ-
9 ment of the holder as a gaming employee. A document issued by any
10 authority for any employment other than gaming is not a valid work
11 permit for the purposes of this chapter.

12 2. The legislature finds that, to protect and promote the health,
13 safety, morals, good order and general welfare of the inhabitants of the
14 State of Nevada and to carry out the policy declared in NRS 463.130,
15 it is necessary that the board:

16 (a) Ascertain and keep itself informed of the identity, prior activities
17 and present location of all gaming employees in the State of Nevada;
18 and

19 (b) Maintain confidential records of such information.

20 3. No person may be employed as a gaming employee unless he is
21 the holder of:

22 (a) A valid work permit issued in accordance with the applicable
23 ordinances or regulations of the county or city in which his duties are
24 performed and the provisions of this chapter; or

25 (b) A work permit issued by the board, if a work permit is not
26 required by either the county or the city.

27 A work permit issued to a gaming employee must have clearly imprinted
28 thereon a statement that it is valid for gaming purposes only.

29 4. Whenever any person applies for the issuance or renewal of a
30 work permit, the county or city officer or employee to whom the applica-
31 tion is made shall within 24 hours mail or deliver a copy thereof to the
32 board, and may at the discretion of the county or city licensing authority
33 issue a temporary work permit. If within 90 days after receipt by the
34 board of the copy of the application, the board has not notified the
35 county or city licensing authority of any objection, the authority may
36 issue, renew or deny a work permit to the applicant. Any holder of a
37 work permit must obtain renewal of the permit from the issuing agency
38 within 10 days following any change of *his* place of employment.

39 5. If the board, within the 90-day period, [notifies the] notifies:

40 (a) *The county or city licensing authority; and*

41 (b) *The applicant,*

42 that the board objects to the granting of a work permit to the applicant,
43 the authority shall deny the work permit and shall immediately revoke
44 and repossess any temporary work permit which it may have issued. *The*
45 *notice of objection by the board which is sent to the applicant must*
46 *include a statement of the facts upon which the board relied in making its*
47 *objection.*

48 6. Application for a work permit, valid wherever a work permit is
49 not required by any county or city licensing authority, may be made to

1 the board, and may be granted or denied for any cause deemed reason-
2 able by the board. *Whenever the board denies such an application, it*
3 *shall include in its notice of the denial a statement of the facts upon*
4 *which it relied in denying the application.*

5 7. Any person whose application for a work permit has been denied
6 because of an objection by the board or whose application has been
7 denied by the board may, not later than 60 days after receiving notice
8 of the denial or objection, apply to the board for a hearing. A failure to
9 apply for a hearing within the 60-day period shall be deemed to be an
10 admission that the denial or objection is well founded and precludes
11 administrative or judicial review. At the hearing, the board or any
12 designated member of the board or an examiner appointed by the board
13 shall take any testimony deemed necessary. After the hearing the board
14 shall review the testimony taken and any other evidence, and shall within
15 30 days [from] after the date of the hearing announce its decision sus-
16 taining or reversing the denial of the work permit or the objection to
17 issuance of a work permit. The board may object to issuance of a work
18 permit or may refuse to issue a work permit for any cause deemed reason-
19 able by the board. The board may object or refuse if the applicant has:

20 (a) Failed to disclose, misstated or otherwise attempted to mislead
21 the board with respect to any material fact contained in the application
22 for the issuance or renewal of a work permit;

23 (b) Knowingly failed to comply with the provisions of chapters 463,
24 464 or 465 of NRS or the regulations of the Nevada gaming commission
25 at a place of previous employment;

26 (c) Committed, attempted or conspired to commit any crime of moral
27 turpitude, embezzlement or larceny against his employer or any gaming
28 licensee, or any violation of any law pertaining to gaming, or any other
29 crime which is inimical to the declared policy of this state concerning
30 gaming;

31 (d) Been identified in the published reports of any federal or state
32 legislative or executive body as being a member or associate of organized
33 crime, or as being of notorious and unsavory reputation;

34 (e) Been placed and remains in the constructive custody of any fed-
35 eral, state or municipal law enforcement authority; or

36 (f) Had a work permit revoked or committed any act which is a
37 ground for the revocation of a work permit or would have been a ground
38 for revoking his work permit if he had then held a work permit.

39 8. Any applicant aggrieved by the decision of the board may, within
40 15 days after the announcement of the decision, apply in writing to the
41 commission for review of the decision. Review is limited to the record
42 of the proceedings before the board. The commission may sustain or
43 reverse the board's decision. The decision of the commission is subject
44 to judicial review pursuant to NRS 463.315.

45 9. All records acquired or compiled by the board or commission
46 relating to any application made pursuant to this section and all lists of
47 persons to whom work permits have been issued or denied and all records
48 of the names or identity of persons engaged in the gaming industry in
49 this state are confidential and must not be disclosed except in the proper
50 administration of this chapter or to an authorized law enforcement

1 agency. Any record of the board or commission which shows that the
2 applicant has been convicted of a crime in another state must show
3 whether the crime was a misdemeanor, gross misdemeanor, felony or
4 other class of crime as classified by the state in which the crime was
5 committed. In a disclosure of the conviction, reference to the classifica-
6 tion of the crime must be based on the classification in the state where
7 it was committed.

8 10. A work permit expires unless renewed within 10 days after
9 a change of place of employment or if the holder thereof is not employed
10 as a gaming employee within the jurisdiction of the issuing authority for
11 a period of more than 90 days.

S. B. 413

SENATE BILL NO. 413—COMMITTEE ON JUDICIARY

MARCH 16, 1981

Referred to Committee on Judiciary

SUMMARY—Makes various changes in provisions regarding supervision of certain gaming establishments. (BDR 41-752)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the supervision of certain gaming establishments; strengthening the discretion vested in the Nevada gaming commission; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 463B.050 is hereby amended to read as follows:
2 463B.050 The legislature hereby finds, and declares it to be the
3 policy of this state, that:
4 1. The stability and continuity of gaming establishments in this state
5 are essential to the state's economy and to the general welfare of its resi-
6 dents.
7 2. Any closure of a gaming establishment because of a lapse, revoca-
8 tion or suspension of its license may cause unnecessary financial hardship
9 to its employees, creditors and investors and may have an adverse eco-
10 nomic effect on the residents of the community in which it is located and
11 on the state generally.
12 3. Public confidence and trust in the ability of the state to control
13 gaming operations must not be sacrificed by any relaxation of strict
14 controls in particular circumstances merely to permit gaming operations
15 to continue.
16 4. Placing the management and control of a gaming establishment
17 whose license is lapsed, suspended or revoked under a competent super-
18 visory official [will] may ensure the proper regulation of the establish-
19 ment while maintaining its value for its investors, protecting the interests
20 of other persons, avoiding any disruption of the economy of the com-
21 munity in which it is located, and promoting the general welfare of the
22 state.
23 SEC. 2. NRS 463B.080 is hereby amended to read as follows:
24 463B.080 1. Except as provided in subsection 5, if the license of

1 any person whose license is essential to the operation of a gaming estab-
2 lishment:

3 (a) Is revoked by the commission or by a court of this state;

4 (b) Is suspended by the commission; or

5 (c) Has not been renewed by the commission for a failure to comply
6 with a condition which was previously placed on the license,
7 only the commission may ex parte petition the district court for the
8 county in which the gaming establishment is located for appointment by
9 the court of a supervisor to manage the establishment. *Such a petition is*
10 *discretionary with the commission and this chapter does not create any*
11 *property right or interest in continued gaming at the establishment.*

12 2. The petition must contain the names of two or more persons who
13 the commission believes are suitable and qualified to manage a gaming
14 establishment and are available for appointment as a supervisor.

15 3. Upon receipt of such a petition, the court shall appoint as super-
16 visor of the gaming establishment a person who is listed in the petition.
17 The court shall immediately notify the commission of the appointment.
18 Upon receipt of notice from the court, the commission shall immediately
19 notify all interested licensees.

20 4. The petition may be presented pursuant to this section even if
21 time has not expired for a petition for judicial review of the final deter-
22 mination of the commission to revoke or suspend the gaming license.

23 5. The commission shall not petition any court for the appointment
24 of a supervisor pursuant to this section if:

25 (a) The gaming establishment has never been in operation and opened
26 to the public.

27 (b) A rehearing has been granted by the commission to the licensee on
28 the revocation or suspension of his license and the rehearing has not been
29 concluded.

30 6. *If the commission does not petition for the appointment of a*
31 *supervisor, no district court of this state may issue an order which allows*
32 *gaming to continue at the establishment.*

33 SEC. 3. NRS 463B.250 is hereby amended to read as follows:

34 463B.250 1. Any person who suffers or is likely to suffer direct
35 financial injury as the result of an act or omission of a supervisor may
36 file an objection with the commission to the suitability of the supervisor.

37 2. Any person described in subsection 1 may petition the district
38 court which made the appointment for an accounting or for a review of
39 the supervisor's qualifications or performance.

40 3. If at any time the district court finds that a supervisor is not
41 qualified or available to serve as supervisor, it shall request from the
42 commission the names of two or more persons who the commission
43 believes are suitable and qualified to manage a gaming establishment
44 and are available to serve as a supervisor.

45 4. The commission may, at any time after the appointment of a
46 supervisor, petition the court for the removal of the supervisor and the
47 appointment of a new supervisor or for the termination of the supervi-
48 sion.

49 5. *The district court shall terminate the supervision:*

50 (a) *If the commission conducts a hearing pursuant to NRS 463.312*

1 *and determines that grounds, other than those which resulted in the*
2 *initial termination of a license, exist which justify revocation or suspen-*
3 *sion of any gaming license at the establishment and petitions the court*
4 *for the termination; or*
5 *(b) It appears that continued operation of the gaming establishment has*
6 *been materially and adversely affected by a strike of a labor union or a*
7 *walkout by employees of the establishment.*



1608

S. B. 414

SENATE BILL NO. 414—COMMITTEE ON JUDICIARY

MARCH 16, 1981

Referred to Committee on Judiciary

SUMMARY—Limits requirement for termination of employment of persons denied gaming license. (BDR 41-986)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to gaming; limiting the requirement for the termination of the employment of a person who is denied a license; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 463.165 is hereby amended to read as follows:
 2 463.165 1. Except for persons associated with licensed corporations
 3 or limited partnerships and required to be licensed by NRS 463.530 or
 4 463.569, each employee, agent, guardian, personal representative, lender
 5 or holder of indebtedness of a gaming licensee who, in the opinion of
 6 the commission, has the power to exercise a significant influence over
 7 the licensee's operation of a gaming establishment may be required to
 8 apply for a license.
- 9 2. A person required to be licensed pursuant to subsection 1 shall
 10 apply for a license within 30 days after the commission requests that
 11 he do so.
- 12 3. If an employee required to be licensed under subsection 1:
 13 (a) Does not apply for a license within 30 days after being requested
 14 to do so by the commission, and the commission makes a finding of
 15 unsuitability for that reason;
 16 (b) Is denied a license; [because of a lack of good character, honesty
 17 or integrity;] or
 18 (c) Has his license revoked by the commission,
 19 the [gaming] licensee by whom he is employed shall terminate his
 20 employment [upon notification] *in the particular capacity in which he*
 21 *was determined by the commission to exercise a significant influence over*
 22 *the operation of the gaming establishment upon being notified by regis-*
 23 *tered or certified mail [to the licensee] of that action.*
- 24 4. A gaming licensee or an affiliate of the licensee shall not pay to

1 a person who has been terminated pursuant to subsection 3 any remuneration for any service performed in the capacity for which he was found
2 unsuitable or denied a license, or concerning which his license was
3 revoked by the commission, except for amounts due for services rendered
4 before the date of receipt of notice of the action by the commission. Any
5 contract or agreement for personal services or for the conduct of any
6 activity at the licensed gaming establishment between a gaming licensee
7 or an affiliate of the licensee and a person terminated pursuant to subsection
8 3 is subject to termination. Every such agreement shall be deemed
9 to include a provision for its termination without liability on the part of
10 the licensee or registered holding company upon a finding by the commission
11 that the person is unsuitable to be associated with a gaming
12 enterprise. Failure expressly to include that condition in the agreement
13 is not a defense in any action brought pursuant to this section to terminate
14 the agreement.

15
16 5. A gaming licensee or an affiliate of the licensee shall not, without
17 the prior approval of the commission, enter into any contract or agreement
18 with a person who is found unsuitable or who is denied a license
19 [because of lack of good character, honesty or integrity] or whose
20 license is revoked by the commission or with any business enterprise
21 under the control of that person after the date of receipt of notice of
22 the action by the commission. Every contract or agreement for personal
23 services to a gaming licensee or an affiliate or for the conduct of any
24 activity at a licensed gaming establishment shall be deemed to include a
25 provision for its termination without liability on the part of the licensee
26 or registered holding company upon a finding by the commission that the
27 person is unsuitable to be associated with a gaming enterprise. Failure
28 expressly to include such a condition in the agreement is not a defense
29 in any action brought pursuant to this section to terminate the agreement.

30 6. A gaming licensee or an affiliate of the licensee shall not employ
31 any person [who is] in a capacity for which he was found unsuitable [,
32 who has been] or denied a license [because of a lack of good character,
33 honesty or integrity or whose license is] or concerning which his license
34 was revoked by the commission, after the date of receipt of notice of the
35 action by the commission, without prior approval of the commission.

36 7. As used in this section, "affiliate" means a person who, directly
37 or indirectly through one or more intermediaries, controls, is controlled
38 by or is under common control with a [gaming] licensee.

39 SEC. 2. NRS 463.560 is hereby amended to read as follows:

40 463.560 1. If an employee of a corporate licensee who is required to
41 be licensed individually:

42 (a) Does not apply for a license within 30 days after the commission
43 requests him to do so, and the commission makes a finding of unsuitability
44 for that reason;

45 (b) Is denied a license; or

46 (c) Has his license revoked by the commission,
47 the corporate gaming licensee by whom he is employed shall terminate his
48 employment [upon notification] in the particular capacity in which he
49 was determined by the commission to exercise a significant influence over

1 *the operation of the gaming establishment upon being notified by regis-*
2 *tered or certified mail [to the corporation of such] of that action.*

3 2. If the corporate licensee designates another employee to replace
4 the employee whose employment was terminated, it shall promptly
5 notify the commission and shall cause the newly designated employee to
6 apply for a gaming license.

7 SEC. 3. This act shall become effective upon passage and approval.

S. B. 418

SENATE BILL NO. 418—COMMITTEE ON FINANCE

MARCH 17, 1981

Referred to Committee on Judiciary

SUMMARY—Authorizes state gaming control board to charge for cost of certain investigations outside state after licensing or registration. (BDR 41-756)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to gaming licensing and control; authorizing the state gaming control board to charge licensees and holding companies or publicly traded corporations which are registered with the commission for the cost of certain investigations outside the state; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 463 of NRS is hereby amended by adding
- 2 thereto a new section which shall read as follows:
- 3 1. *The board may require any gaming licensee, except those licensed*
- 4 *to operate not more than 15 slot machines and no other game or gaming*
- 5 *device, and any holding company or publicly traded corporation which is*
- 6 *registered with the commission, to pay the cost of any investigation or*
- 7 *audit of the business activities of and persons associated with that*
- 8 *licensee, company or corporation, conducted after licensing or registra-*
- 9 *tion and outside the state, including any reasonable fees charged by*
- 10 *expert consultants employed by the board and the actual expenses of the*
- 11 *agents and representatives of the board.*
- 12 2. *The board shall not require any gaming licensee, holding company*
- 13 *or publicly traded corporation to pay the cost of a confidential investiga-*
- 14 *tion which was conducted pursuant to NRS 463.330.*
- 15 3. *The commission shall adopt regulations which set out the method*
- 16 *of determination and collection of the fees and costs which may be*
- 17 *assessed under this section.*

1610