
SENATE BILL NO. 271—SENATOR SCHNEIDER

MARCH 13, 2003

Referred to Committee on Judiciary

SUMMARY—Authorizes certain licensees to move their locations and transfer their licenses under certain circumstances and provides for imposition of additional monthly licensing fees and distribution of such additional fees to at-risk schools. (BDR 41-1176)

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

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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; authorizing certain licensees to move their locations and transfer their licenses under certain circumstances; requiring such licensees to pay additional monthly fees for licensing; providing that the additional monthly fees for licensing must be allocated to the school district and distributed to at-risk schools; 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 463.225 is hereby amended to read as follows:
- 2 463.225 1. If satisfied that an applicant is eligible to receive a
- 3 state gaming, manufacturing, selling, distributing or pari-mutuel
- 4 wagering license, and upon tender of:
- 5 (a) All license fees and taxes as required by law and regulation
- 6 of the Commission; and
- 7 (b) A bond executed by the applicant as principal, and by a
- 8 corporation qualified under the laws of this state as surety, payable
- 9 to the State of Nevada, and conditioned upon the payment of license
- 10 fees and taxes and the faithful performance of all requirements



1 imposed by law or regulation or the conditions of the
2 license,
3 the Commission shall issue and deliver to the applicant a license
4 entitling him to engage in the gaming, manufacturing, selling,
5 distributing or pari-mutuel wagering operation for which he is
6 licensed, together with an enumeration of the specific terms and
7 conditions of the license. The Commission shall prepare and
8 maintain a written record of the specific terms and conditions of any
9 license issued and of any modification to the license. A duplicate of
10 the record must be delivered to the applicant or licensee upon
11 request.

12 2. The Commission shall fix the amount of the bond to be
13 required pursuant to subsection 1 at no more than the total amount
14 of license fees and taxes estimated to become due from the licensee
15 before his full compliance with the requirements of subsection ~~3~~ 4
16 of NRS 463.370. The bond so furnished may be applied by the
17 Commission to the payment of any unpaid liability of the licensee
18 pursuant to this chapter.

19 3. In lieu of a bond an applicant may deposit with the
20 Commission a like amount of lawful money of the United States or
21 any other form of security authorized by NRS 100.065. If security is
22 provided in the form of a savings certificate, certificate of deposit or
23 investment certificate, the certificate must state that the amount is
24 unavailable for withdrawal except upon order of the Commission.

25 4. If the requirement for a bond is satisfied in:

26 (a) Cash, the Commission shall deposit the money in the State
27 Treasury for credit to the Account for Bonds of State Gaming
28 Licensees, which is hereby created in the State Agency Fund for
29 Bonds.

30 (b) Any other authorized manner, the security must be placed
31 without restriction at the disposal of the Commission, but any
32 income must inure to the benefit of the licensee.

33 **Sec. 2.** NRS 463.308 is hereby amended to read as follows:

34 463.308 1. ~~The~~ *Except as otherwise provided in subsection*
35 *4, the* Commission shall not approve a nonrestricted license for an
36 establishment in a county whose population is 400,000 or more
37 unless the establishment is located in a gaming enterprise district.

38 2. The location of an establishment within a gaming enterprise
39 district may not be expanded unless the expansion of the location of
40 the establishment is also within a gaming enterprise district.

41 3. If an establishment is not located within a gaming enterprise
42 district, the establishment may not increase the number of games or
43 slot machines operated at the establishment beyond the number of
44 games or slot machines authorized for such a classification of
45 establishment by local ordinance on December 31, 1996.



1 *4. Notwithstanding any other provision of law and except as*
 2 *otherwise provided in this subsection, the Commission may, in its*
 3 *sole and absolute discretion, allow a licensee whose establishment*
 4 *is not located in a gaming enterprise district to move the location*
 5 *of its establishment and transfer its nonrestricted license to*
 6 *another location that is not within a gaming enterprise district.*
 7 *The Commission shall not approve a move and transfer pursuant*
 8 *to this subsection unless, before the move and transfer, the*
 9 *licensee receives all necessary approvals from the local*
 10 *government having jurisdiction over the location to which the*
 11 *establishment wants to move and transfer its license. Before a*
 12 *move and transfer pursuant to this subsection, the Commission*
 13 *may require the licensee to apply for a new license pursuant to the*
 14 *provisions of this chapter.*

15 **Sec. 3.** NRS 463.320 is hereby amended to read as follows:
 16 463.320 1. All gaming license fees imposed by the provisions
 17 of NRS 463.370, 463.373 to 463.383, inclusive, and 463.3855 must
 18 be collected and disposed of as provided in this section.

19 2. All state gaming license fees and penalties must be collected
 20 by the Commission and paid over immediately to the State
 21 Treasurer to be disposed of as follows:

22 (a) ~~[AH]~~ *Except as otherwise provided in paragraph (c), all*
 23 *state gaming license fees and penalties other than the license fees*
 24 *imposed by the provisions of NRS 463.380 must be deposited for*
 25 *credit to the State General Fund.*

26 (b) All state gaming license fees imposed by the provisions of
 27 NRS 463.380 must, after deduction of costs of administration and
 28 collection, be divided equally among the various counties and
 29 transmitted to the respective county treasurers. Such fees, except as
 30 otherwise provided in this section, must be deposited by the county
 31 treasurer in the county general fund and be expended for county
 32 purposes. If the board of county commissioners desires to apportion
 33 and allocate all or a portion of such fees to one or more cities or
 34 towns within the county, the board of county commissioners shall,
 35 annually, before the preparation of the city or town budget or
 36 budgets as required by chapter 354 of NRS, adopt a resolution so
 37 apportioning and allocating a percentage of such fees anticipated to
 38 be received during the coming fiscal year to such city or cities or
 39 town or towns for the next fiscal year commencing July 1. After the
 40 adoption of the resolution the percentage so apportioned and
 41 allocated must be converted to a dollar figure and included in city or
 42 town budget or budgets as an estimated receipt for the next fiscal
 43 year. Quarterly upon receipt of the money from the State, the county
 44 treasurer shall deposit an amount of money equal to the percentage
 45 so apportioned and allocated to the credit of the city or town fund to



1 be used for city or town purposes, and the balance remaining must
2 be deposited in the county general fund and must be expended for
3 county purposes.

4 *(c) All license fees and penalties imposed by the provisions of*
5 *subsection 2 of NRS 463.370 must, after the deduction of costs of*
6 *administration and collection, be allocated to the school district in*
7 *the county in which the licensee is located. A school district that*
8 *receives money pursuant to this paragraph shall distribute the*
9 *money equally to all at-risk schools within the school district. As*
10 *used in this paragraph, "at-risk school" means a school where, for*
11 *that school year, at least 65 percent of the pupils who are enrolled*
12 *in the school are children who are eligible for free and reduced-*
13 *price lunches pursuant to 42 U.S.C. §§ 1751 et seq.*

14 **Sec. 4.** NRS 463.370 is hereby amended to read as follows:

15 463.370 1. Except as otherwise provided in NRS 463.373,
16 the Commission shall charge and collect from each licensee a
17 license fee based upon all the gross revenue of the licensee as
18 follows:

19 (a) Three percent of all the gross revenue of the licensee which
20 does not exceed \$50,000 per calendar month;

21 (b) Four percent of all the gross revenue of the licensee which
22 exceeds \$50,000 per calendar month and does not exceed \$134,000
23 per calendar month; and

24 (c) Six and one-quarter percent of all the gross revenue of the
25 licensee which exceeds \$134,000 per calendar month.

26 2. *In addition to the license fee charged and collected*
27 *pursuant to subsection 1, the Commission shall charge and collect*
28 *from a licensee that has moved its location and transferred its*
29 *license pursuant to subsection 4 of NRS 463.308 a license fee of*
30 *1.75 percent of all the gross revenue of the licensee which exceeds*
31 *\$134,000 per calendar month.*

32 3. Unless the licensee has been operating for less than a full
33 calendar month, the Commission shall charge and collect the fee
34 prescribed in subsection 1 ~~and~~ *and the fee prescribed in subsection*
35 *2*, based upon the gross revenue for the preceding calendar month,
36 on or before the 24th day of the following month. Except for the fee
37 based on the first full month of operation, ~~the~~ *each* fee is an
38 estimated payment of the license fee for the third month following
39 the month whose gross revenue is used as its basis.

40 ~~3.~~ 4. When a licensee has been operating for less than a full
41 calendar month, the Commission shall charge and collect the fee
42 prescribed in subsection 1 ~~and~~ *and the fee prescribed in subsection*
43 *2*, based on the gross revenue received during that month, on or
44 before the 24th day of the following calendar month of operation.
45 After the first full calendar month of operation, the Commission



1 shall charge and collect ~~the~~ *each* fee based on the gross revenue
2 received during that month, on or before the 24th day of the
3 following calendar month. The payment of ~~the~~ *each* fee due for
4 the first full calendar month of operation must be accompanied by
5 the payment of a fee equal to three times the fee for the first full
6 calendar month. This additional amount is an estimated payment of
7 the license fees for the next 3 calendar months. Thereafter, each
8 license fee must be paid in the manner described in subsection ~~2-~~
9 **3**. Any deposit held by the Commission on July 1, 1969, must be
10 treated as an advance estimated payment.

11 ~~4-~~ **5**. All revenue received from any game or gaming device
12 which is operated on the premises of a licensee, regardless of
13 whether any portion of the revenue is shared with any other person,
14 must be attributed to the licensee for the purposes of this section and
15 counted as part of the gross revenue of the licensee. Any other
16 person, including, without limitation, an operator of an inter-casino
17 linked system, who is authorized to receive a share of the revenue
18 from any game, gaming device or inter-casino linked system that is
19 operated on the premises of a licensee is liable to the licensee for
20 that person's proportionate share of the license fees paid by the
21 licensee pursuant to this section and shall remit or credit the full
22 proportionate share to the licensee on or before the 24th day of each
23 calendar month. The proportionate share of an operator of an inter-
24 casino linked system must be based on all compensation and other
25 consideration received by the operator of the inter-casino linked
26 system, including, without limitation, amounts that accrue to the
27 meter of the primary progressive jackpot of the inter-casino linked
28 system and amounts that fund the reserves of such a jackpot, subject
29 to all appropriate adjustments for deductions, credits, offsets and
30 exclusions that the licensee is entitled to take or receive pursuant to
31 the provisions of this chapter. A licensee is not liable to any other
32 person authorized to receive a share of the licensee's revenue from
33 any game, gaming device or inter-casino linked system that is
34 operated on the premises of the licensee for that person's
35 proportionate share of the license fees to be remitted or credited to
36 the licensee by that person pursuant to this section.

37 ~~5-~~ **6**. An operator of an inter-casino linked system shall not
38 enter into any agreement or arrangement with a licensee that
39 provides for the operator of the inter-casino linked system to be
40 liable to the licensee for less than its full proportionate share of the
41 license fees paid by the licensee pursuant to this section, whether
42 accomplished through a rebate, refund, charge-back or otherwise.

43 ~~6-~~ **7**. Any person required to pay a fee pursuant to this section
44 shall file with the Commission, on or before the 24th day of each
45 calendar month, a report showing the amount of all gross revenue



1 received during the preceding calendar month. Each report must be
2 accompanied by:

3 (a) The fee due based on the revenue of the month covered by
4 the report; and

5 (b) An adjustment for the difference between the estimated fee
6 previously paid for the month covered by the report, if any, and
7 the fee due for the actual gross revenue earned in that month. If the
8 adjustment is less than zero, a credit must be applied to the
9 estimated fee due with that report.

10 ~~7.1~~ 8. If the amount of license fees required to be reported and
11 paid pursuant to this section is later determined to be greater or less
12 than the amount actually reported and paid, the Commission shall:

13 (a) Charge and collect the additional license fees determined to
14 be due, with interest thereon until paid; or

15 (b) Refund any overpayment to the person entitled thereto
16 pursuant to this chapter, with interest thereon.

17 Interest pursuant to paragraph (a) must be computed at the rate
18 prescribed in NRS 17.130 from the first day of the first month
19 following the due date of the additional license fees until paid.

20 Interest pursuant to paragraph (b) must be computed at one-half the
21 rate prescribed in NRS 17.130 from the first day of the first month
22 following the date of overpayment until paid.

23 ~~8.1~~ 9. Failure to pay the fees provided for in this section shall
24 be deemed a surrender of the license at the expiration of the period
25 for which the estimated payment of fees has been made, as
26 established in subsection ~~2~~.

27 ~~9.1~~ 3.

28 10. Except as otherwise provided in NRS 463.386, the amount
29 of the fee prescribed in subsection 1 *or* 2 must not be prorated.

30 ~~10.1~~ 11. Except as otherwise provided in NRS 463.386, if a
31 licensee ceases operation, the Commission shall:

32 (a) Charge and collect the additional license fees determined to
33 be due with interest computed pursuant to paragraph (a) of
34 subsection ~~7.1~~ 8; or

35 (b) Refund any overpayment to the licensee with interest
36 computed pursuant to paragraph (b) of subsection ~~7.1~~ 8,
37 based upon the gross revenue of the licensee during the last 3
38 months immediately preceding the cessation of operation, or
39 portions of those last 3 months.

40 ~~11.1~~ 12. If in any month, the amount of gross revenue is less
41 than zero, the licensee may offset the loss against gross revenue in
42 succeeding months until the loss has been fully offset.

43 ~~12.1~~ 13. If in any month, the amount of the license fee due is
44 less than zero, the licensee is entitled to receive a credit against any



- 1 license fees due in succeeding months until the credit has been fully
- 2 offset.

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