

SENATE BILL NO. 3—SENATOR RHOADS

PREFILED JANUARY 24, 2003

Referred to Committee on Judiciary

SUMMARY—Makes various changes to off-track pari-mutuel
wagering. (BDR 41-41)

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; reserving a portion of certain gaming license fees collected from persons licensed to conduct off-track pari-mutuel wagering to augment purses for horse racing in certain counties; revising certain provisions concerning the regulation of certain off-track pari-mutuel wagering; 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 463.320 is hereby amended to read as follows:
2 463.320 1. All gaming license fees imposed by the provisions
3 of NRS 463.370, 463.373 to 463.383, inclusive, and 463.3855 must
4 be collected and disposed of as provided in this section.
5 2. All state gaming license fees and penalties must be collected
6 by the Commission and paid over immediately to the State
7 Treasurer to be disposed of as follows:
8 (a) ~~AMH~~ *Except as otherwise provided in paragraphs (c) and*
9 *(d), all* state gaming license fees and penalties other than the license
10 fees imposed by the provisions of NRS 463.380 must be deposited
11 for credit to the State General Fund.
12 (b) All state gaming license fees imposed by the provisions of
13 NRS 463.380 must, after deduction of costs of administration and
14 collection, be divided equally among the various counties and
15 transmitted to the respective county treasurers. Such fees, except as



1 otherwise provided in this section, must be deposited by the county
2 treasurer in the county general fund and be expended for county
3 purposes. If the board of county commissioners desires to apportion
4 and allocate all or a portion of such fees to one or more cities or
5 towns within the county, the board of county commissioners shall,
6 annually, before the preparation of the city or town budget or
7 budgets as required by chapter 354 of NRS, adopt a resolution so
8 apportioning and allocating a percentage of such fees anticipated to
9 be received during the coming fiscal year to such city or cities or
10 town or towns for the next fiscal year commencing July 1. After the
11 adoption of the resolution , the percentage so apportioned and
12 allocated must be converted to a dollar figure and included in *the*
13 city or town budget or budgets as an estimated receipt for the next
14 fiscal year. Quarterly , upon receipt of the money from the State, the
15 county treasurer shall deposit an amount of money equal to the
16 percentage so apportioned and allocated to the credit of the city or
17 town fund to be used for city or town purposes, and the balance
18 remaining must be deposited in the county general fund and must be
19 expended for county purposes.

20 *(c) One twenty-fifth of the license fee imposed by the*
21 *provisions of NRS 463.370 on gross revenue which exceeds*
22 *\$134,000 per calendar month that is paid pursuant to subsection 2*
23 *of NRS 464.045 by persons licensed to conduct off-track pari-*
24 *mutuel wagering must, after the deduction of costs of*
25 *administration and collection, be allocated pro rata among the*
26 *counties in this state in which on-track pari-mutuel wagering is*
27 *conducted. The allocation must be based upon the amounts paid*
28 *from each such county pursuant to subsection 2 of NRS 466.125*
29 *and transmitted to the respective county treasurers. Money*
30 *received by a county treasurer pursuant to this paragraph must be*
31 *deposited in the county general fund and expended to augment*
32 *any stakes, purses or rewards which are offered with respect to*
33 *horse races conducted in that county by a state fair association,*
34 *agricultural society or county fair and recreation board.*

35 *(d) Five percent of the amount of the license fee imposed by*
36 *the provisions of NRS 463.370 that is paid pursuant to subsection*
37 *2 of NRS 464.045 by persons licensed to conduct off-track pari-*
38 *mutuel wagering which exceeds \$5,036,938 per calendar year*
39 *must, after the deduction of costs of administration and collection,*
40 *be allocated pro rata among the counties in this state in which on-*
41 *track pari-mutuel wagering is conducted. The allocation must be*
42 *based upon the amounts paid from each such county pursuant to*
43 *subsection 2 of NRS 466.125 and must be transmitted to the*
44 *respective county treasurers as provided in this paragraph. On*
45 *March 1 of each year, the Board shall calculate the amount of*



1 *money to be allocated to the respective county treasurers and*
2 *notify the State Treasurer of the appropriate amount of each*
3 *allocation. The State Treasurer shall transfer the money to the*
4 *respective county treasurers. Money received by a county treasurer*
5 *pursuant to this paragraph must be deposited in the county*
6 *general fund and expended to augment any stakes, purses or*
7 *rewards which are offered with respect to horse races conducted in*
8 *that county by a state fair association, agricultural society or*
9 *county fair and recreation board.*

10 **Sec. 2.** NRS 464.020 is hereby amended to read as follows:

11 464.020 1. The Nevada Gaming Commission is charged with
12 the administration of this chapter for the protection of the public and
13 in the public interest.

14 2. The Nevada Gaming Commission may issue licenses
15 permitting the conduct of the pari-mutuel system of wagering,
16 including off-track pari-mutuel wagering, and may adopt, amend
17 and repeal regulations relating to the conduct of such wagering.

18 3. The wagering must be conducted only by the licensee at the
19 times determined by the Nevada Gaming Commission and only:

20 (a) Within the enclosure wherein the race or other sporting event
21 which is the subject of the wagering occurs; or

22 (b) Within a licensed gaming establishment which has been
23 approved to conduct off-track pari-mutuel wagering.

24 This subsection does not prohibit a person licensed to accept,
25 pursuant to regulations adopted by the Nevada Gaming
26 Commission, off-track pari-mutuel wagers from accepting wagers
27 made by wire communication from patrons within the State of
28 Nevada, ~~or~~ from *other* states in which such wagering is legal ~~or~~
29 *or from places outside the United States in which such wagering is*
30 *legal.*

31 4. The regulations of the Nevada Gaming Commission may
32 include, without limitation:

33 (a) Requiring fingerprinting of an applicant or licensee, or other
34 method of identification.

35 (b) Requiring information concerning an applicant's
36 antecedents, habits and character.

37 (c) Prescribing the method and form of application which any
38 applicant for a license issued pursuant to this chapter must follow
39 and complete before consideration of his application by the Nevada
40 Gaming Commission.

41 *(d) Prescribing the permissible communications technology*
42 *and requiring the implementation of border control technology*
43 *that will ensure that a person cannot place a wager with a race*
44 *book in this state from another state or another location where*
45 *placing such a wager is illegal.*



1 5. The Nevada Gaming Commission may appoint an Off-Track
2 Pari-Mutuel Wagering Committee consisting of nine persons who
3 are licensed to engage in off-track pari-mutuel wagering. If the
4 Commission appoints such a Committee, it shall appoint to the
5 Committee:

6 (a) Five members from a list of nominees provided by the State
7 Association of Gaming Establishments whose members collectively
8 paid the most gross revenue fees to the State pursuant to NRS
9 463.370 in the preceding year;

10 (b) Two members who, in the preceding year, paid gross
11 revenue fees pursuant to NRS 463.370 in an amount that was less
12 than the average amount of gross revenue fees paid by licensees
13 engaged in off-track pari-mutuel wagering in the preceding year;
14 and

15 (c) Two other members.

16 If a vacancy occurs in a position on the Committee for any reason,
17 including, but not limited to, termination of a member, the
18 Commission shall appoint a successor member who satisfies the
19 same criteria in paragraph (a), (b) or (c) that applied to the member
20 whose position has been vacated.

21 6. If the Nevada Gaming Commission appoints an Off-Track
22 Pari-Mutuel Wagering Committee pursuant to subsection 5, the
23 Commission shall:

24 (a) Grant to the Off-Track Pari-Mutuel Wagering Committee the
25 exclusive right to negotiate an agreement relating to off-track pari-
26 mutuel wagering with:

27 (1) A person who is licensed or otherwise permitted to
28 operate a wagering pool in another state; and

29 (2) A person who is licensed pursuant to chapter 464 of NRS
30 as an operator of a system.

31 (b) Require the Off-Track Pari-Mutuel Wagering Committee to
32 grant to each person licensed pursuant to this chapter to operate an
33 off-track pari-mutuel race pool the right to receive, on a fair and
34 equitable basis, all services concerning wagering in such a race pool
35 that the Committee has negotiated to bring into or provide within
36 this state.

37 7. The Nevada Gaming Commission shall, and it is granted the
38 power to, demand access to and inspect all books and records of any
39 person licensed pursuant to this chapter pertaining to and affecting
40 the subject of the license.

41 **Sec. 3.** NRS 464.075 is hereby amended to read as follows:

42 464.075 1. ~~1A~~ *Except as otherwise provided in subsection*
43 *4, a* person who is licensed to engage in off-track pari-mutuel
44 wagering shall not:



1 (a) Accept from a patron less than the full face value of an off-
2 track pari-mutuel wager;

3 (b) Agree to refund or rebate to a patron any portion or
4 percentage of the full face value of an off-track pari-mutuel wager;
5 or

6 (c) Increase the payoff of, or pay a bonus on, a winning off-track
7 pari-mutuel wager.

8 2. A person who is licensed to engage in off-track pari-mutuel
9 wagering and who:

10 (a) Attempts to evade the provisions of subsection 1 by offering
11 to a patron a wager that is not posted and offered to all patrons; or

12 (b) Otherwise violates the provisions of subsection 1,
13 is subject to the investigatory and disciplinary proceedings that are
14 set forth in NRS 463.310 to 463.318, inclusive, and shall be
15 punished as provided in those sections.

16 3. The Nevada Gaming Commission shall adopt regulations to
17 carry out the provisions of *subsections 1 and 2* of this section.

18 *4. The Nevada Gaming Commission may, by regulation,*
19 *exempt certain bets, refunds, rebates, payoffs or bonuses from the*
20 *provisions of subsection 1 if the Commission determines that such*
21 *exemptions are in the best interests of the State of Nevada and*
22 *licensed gaming in this state. Any bets, refunds, rebates, payoffs or*
23 *bonuses that would result in the amount of such bets, refunds,*
24 *rebates, payoffs or bonuses being directly or indirectly deductible*
25 *from gross revenue may not be exempt.*

26 **Sec. 4.** This act becomes effective on July 1, 2003.

