

SENATE BILL NO. 432—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE GAMING CONTROL BOARD)

MARCH 24, 2003

Referred to Committee on Judiciary

SUMMARY—Makes various changes pertaining to regulation of gaming. (BDR 41-490)

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

~

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

AN ACT relating to gaming; revising the provisions pertaining to the acquisition or disposition of an interest in a business entity that holds a state gaming license or the option to purchase such an interest; requiring a person employed as a gaming employee to be registered as a gaming employee by the State Gaming Control Board; requiring the Board to investigate each person applying for registration or renewal of registration as a gaming employee; providing for a fee for processing an application for registration as a gaming employee; authorizing the Nevada Gaming Commission to adopt regulations prescribing the manner for submission of payments by licensees; authorizing the Commission to adopt regulations allowing a person who owns antique gaming devices to sell such devices without procuring 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:



* S B 4 3 2 R 1 *

1 **Section 1.** Chapter 463 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 1.3 to 4, inclusive, of this
3 act.

4 **Sec. 1.3.** *“Registered as a gaming employee” means*
5 *authorized to be employed as a gaming employee in this state or to*
6 *serve as an independent agent.*

7 **Sec. 1.7.** *“Temporarily registered as a gaming employee”*
8 *means authorized to be employed as a gaming employee in this*
9 *state or serve as an independent agent from the date of submitting*
10 *an application for registration or renewal of registration for a*
11 *period not to exceed 120 days following receipt of a complete*
12 *application by the Board, including classifiable fingerprints,*
13 *unless otherwise suspended.*

14 **Sec. 2. 1.** *The purported granting of an option to purchase*
15 *any security issued by a corporation, other than a publicly traded*
16 *corporation, which holds a state gaming license, or the purported*
17 *sale, assignment, transfer, pledge or other disposition of an*
18 *existing option to acquire such a security is void unless*
19 *administratively approved in advance by the Chairman of the*
20 *Board.*

21 **2.** *A request for administrative approval pursuant to*
22 *subsection 1 must:*

23 **(a)** *Be made on forms approved by the Chairman of the Board;*
24 *and*

25 **(b)** *To the extent consistent with this section, be considered in*
26 *all respects as an application.*

27 **3.** *The Chairman of the Board may refer a request for*
28 *administrative approval to the Board and Commission for*
29 *consideration or deny the request for administrative approval*
30 *for any reasonable cause. A denial may be submitted for review by*
31 *the Board and Commission in the manner set forth by the*
32 *regulations of the Commission pertaining to the review of*
33 *administrative approval decisions.*

34 **4.** *The Commission, upon recommendation by the Board,*
35 *may require a person to apply for a finding of suitability to hold*
36 *an option to purchase such a security.*

37 **Sec. 3. 1.** *The purported granting of an option to purchase*
38 *any interest in a limited partnership which holds a state gaming*
39 *license or the purported sale, assignment, transfer, pledge or other*
40 *disposition of an existing option to acquire such an interest is*
41 *ineffective unless administratively approved in advance by the*
42 *Chairman of the Board.*

43 **2.** *A request for administrative approval pursuant to*
44 *subsection 1 must:*



1 (a) *Be made on forms approved by the Chairman of the Board;*
2 *and*

3 (b) *To the extent consistent with this section, be considered in*
4 *all respects as an application.*

5 3. *The Chairman of the Board may refer a request for*
6 *administrative approval to the Board and Commission for*
7 *consideration or deny the request for administrative approval*
8 *for any reasonable cause. A denial may be submitted for review by*
9 *the Board and Commission in the manner set forth by the*
10 *regulations of the Commission pertaining to the review of*
11 *administrative approval decisions.*

12 4. *The Commission, upon recommendation by the Board,*
13 *may require a person to apply for a finding of suitability to hold*
14 *an option to purchase such an interest.*

15 **Sec. 4. 1.** *The purported granting of an option to purchase*
16 *any interest in a limited-liability company which holds a state*
17 *gaming license or the purported sale, assignment, transfer, pledge*
18 *or other disposition of an existing option to acquire such an*
19 *interest is ineffective unless administratively approved in advance*
20 *by the Chairman of the Board.*

21 2. *A request for administrative approval pursuant to*
22 *subsection 1 must:*

23 (a) *Be made on forms approved by the Chairman of the Board;*
24 *and*

25 (b) *To the extent consistent with this section, be considered in*
26 *all respects as an application.*

27 3. *The Chairman of the Board may refer a request for*
28 *administrative approval to the Board and Commission for*
29 *consideration or deny the request for administrative approval*
30 *for any reasonable cause. A denial may be submitted for review by*
31 *the Board and Commission in the manner set forth by the*
32 *regulations of the Commission pertaining to the review of*
33 *administrative approval decisions.*

34 4. *The Commission, upon recommendation by the Board,*
35 *may require a person to apply for a finding of suitability to hold*
36 *an option to purchase such an interest.*

37 **Sec. 5.** NRS 463.013 is hereby amended to read as follows:
38 463.013 As used in this chapter, unless the context otherwise
39 requires, the words and terms defined in NRS 463.0133 to
40 ~~[463.0197,]~~ 463.01967, inclusive, and sections 1.3 and 1.7 of this
41 act have the meanings ascribed to them in those sections.

42 **Sec. 6.** NRS 463.1595 is hereby amended to read as follows:
43 463.1595 1. The Commission shall adopt regulations,
44 consistent with NRS 463.370, 463.371 ~~[which]~~ and 463.3715, that
45 prescribe the manner in which winnings, compensation from games



1 and gaming devices, and gross revenue must be computed and
2 reported by the licensee.

3 *2. The Commission may adopt regulations that prescribe the*
4 *manner in which a licensee must submit to the Commission any*
5 *fees, interest, penalties or tax required to be paid based upon the*
6 *information reported in subsection 1.*

7 **Sec. 7.** NRS 463.335 is hereby amended to read as follows:

8 463.335 1. The Legislature finds that, to protect and promote
9 the health, safety, morals, good order and general welfare of the
10 inhabitants of the State of Nevada and to carry out the policy
11 declared in NRS 463.0129, it is necessary that the Board:

12 (a) Ascertain and keep itself informed of the identity, prior
13 activities and present location of all gaming employees and
14 independent agents in the State of Nevada; and

15 (b) Maintain confidential records of such information.

16 2. Except as otherwise provided in subsection ~~{3,}~~ 4, a person
17 may not be employed as a gaming employee or serve as an
18 independent agent unless he is ~~{the holder of a valid work permit to~~
19 ~~work} temporarily registered or registered as a gaming employee~~
20 ~~{issued} pursuant to this section. {A work permit to work as a~~
21 ~~gaming employee may be issued by the Board or by a county or city~~
22 ~~licensing authority.} An applicant for {a work permit shall file his}~~
23 *registration or renewal of registration as a gaming employee must*
24 *file an application for {a work permit with the licensing authority of*
25 *the city in which he resides if that city requires a work permit. If the*
26 *city in which he resides does not require such a permit, the applicant*
27 *shall file his application with the licensing authority of the county in*
28 *which he resides if that county requires a work permit. If the county*
29 *in which he resides does not require such a permit, the applicant*
30 *shall file his application with the Board.} registration or renewal of*
31 *registration with the Board. Whenever a registered gaming*
32 *employee, whose registration has not expired, has not been*
33 *objected to by the Board, or has not been suspended or revoked*
34 *becomes employed as a gaming employee at another or additional*
35 *gaming establishment, he must file a change of employment notice*
36 *within 10 days with the Board. The application for registration*
37 *and change of employment notice must be filed through the*
38 *licensee for whom the applicant will commence or continue*
39 *working as a gaming employee, unless otherwise filed with the*
40 *Board as prescribed by regulation of the Commission.*

41 3. The Board shall ~~{, by regulation,}~~ prescribe the ~~{form for an}~~
42 *forms for the application for {a work permit to work} registration as*
43 *a gaming employee {.* ~~The fee for such a permit may be charged~~
44 ~~only to cover the actual investigative and administrative costs~~



1 ~~related to processing an application for such a permit and must not~~
2 ~~exceed \$75.~~

3 ~~—3.] and the change of employment notice.~~

4 4. An independent agent is not required to ~~[hold a work permit]~~
5 *be registered as a gaming employee* if he is not a resident of this
6 state and has registered with the Board in accordance with the
7 provisions of the regulations adopted by the Commission.

8 ~~[4.—Upon receipt of an application for a work permit to work as~~
9 ~~a gaming employee, the Board or licensing authority]~~

10 5. *A complete application for registration or renewal of*
11 *registration as a gaming employee or a change of employment*
12 *notice received by a licensee must be mailed to the Board within 1*
13 *business day of receipt.*

14 6. *The Board* shall *immediately* conduct an investigation of
15 ~~[the applicant]~~ *each person who files an application for*
16 *registration or renewal of registration as a gaming employee* to
17 determine whether he is eligible for ~~[the permit.]~~ *registration as a*
18 *gaming employee.* In conducting the investigation, ~~[the Board or~~
19 ~~licensing authority shall forward a complete set]~~ *two complete sets*
20 of the applicant's fingerprints *must be submitted* to the Central
21 Repository for Nevada Records of Criminal History for
22 ~~[submission]~~ :

23 (a) *A report concerning the criminal history of the applicant;*
24 *and*

25 (b) *Submission* to the Federal Bureau of Investigation for a
26 report concerning the criminal history of the applicant.
27 The investigation need not be limited solely to consideration of the
28 results of the report concerning the criminal history of the applicant.

29 ~~[5.—A work permit issued to a gaming employee or an~~
30 ~~independent agent must have clearly imprinted thereon a statement~~
31 ~~that it is valid for gaming purposes only.~~

32 ~~—6.—Unless denied or]~~ *The fee for processing an application for*
33 *registration or renewal of registration as a gaming employee may*
34 *be charged only to cover the actual investigative and*
35 *administrative costs related to processing the application and the*
36 *fees charged by the Central Repository for Nevada Records of*
37 *Criminal History and the Federal Bureau of Investigation to*
38 *process the fingerprints of an applicant pursuant to this*
39 *subsection.*

40 7. *Upon receipt of a change of employment notice, the Board*
41 *may conduct any investigations of the gaming employee that the*
42 *Board deems appropriate to determine whether the gaming*
43 *employee may remain registered as a gaming employee. The filing*
44 *of a change of employment notice constitutes an application for*
45 *registration as a gaming employee and if the Board, after*



1 *conducting its investigation, suspends or objects to the continued*
2 *registration of the gaming employee, the provisions of subsections*
3 *11 to 17, inclusive, apply to such suspension by or objection of the*
4 *Board. No fee may be charged by the Board to cover the actual*
5 *investigative and administrative costs related to processing a*
6 *change of employment notice.*

7 *8. Except as otherwise prescribed by regulation of the*
8 *Commission, an applicant for registration or renewal of*
9 *registration as a gaming employee is deemed temporarily*
10 *registered as a gaming employee as of the date an application for*
11 *registration or renewal of registration is submitted to the licensee*
12 *for which he will commence or continue working as a gaming*
13 *employee. Unless objected to by the Board ~~at the time that the~~*
14 *~~permittee filed a notice of a change in his place of employment~~*
15 *~~pursuant to subsection 8 and unless suspended or revoked, such a~~*
16 *~~permit expires on the fifth anniversary of the permittee's birthday,~~*
17 *~~measured from the birthday nearest the date of issuance or renewal.~~*
18 *~~If the date of birth of a permittee is on February 29 in a leap year,~~*
19 *~~for the purposes of this section, his date of birth shall be deemed to~~*
20 *~~be on February 28.~~*

21 ~~—7. Whenever any person applies to a county or city licensing~~
22 ~~authority for the issuance or renewal of a work permit, the county or~~
23 ~~city officer or employee to whom the application is made shall~~
24 ~~within 24 hours mail or deliver a copy thereof to the Board, and may~~
25 ~~at the discretion of the county or city licensing authority issue a~~
26 ~~temporary work permit that is valid for 120 days.] or suspended or~~
27 ~~revoked, the initial registration of an applicant as a gaming~~
28 ~~employee expires 5 years after the date employment commences~~
29 ~~with the applicable licensee or, in the case of an independent~~
30 ~~agent, 5 years after the date he contracts with an applicable~~
31 ~~licensee. Any subsequent renewal of registration as a gaming~~
32 ~~employee, unless objected to by the Board or suspended or~~
33 ~~revoked, expires 5 years after the expiration date of the most~~
34 ~~recent registration or renewal of registration of the gaming~~
35 ~~employee.~~

36 *9. If, within 120 days after receipt by the Board of ~~the copy of~~*
37 *~~the application,] a complete application for registration or renewal~~*
38 *~~of registration as a gaming employee, including classifiable~~*
39 *~~fingerprints, or a change of employment notice, the Board has not~~*
40 *~~notified the ~~county or city licensing authority] applicable licensee~~~~*
41 *~~of any suspension or objection, the ~~authority may issue, renew or~~~~*
42 *~~deny a permanent work permit to the applicant.~~*

43 ~~—8. A gaming employee who is issued a work permit] applicant~~
44 ~~shall be deemed to be registered as a gaming employee. A complete~~



1 application for registration or renewal of registration as a gaming
2 employee is comprised of:

3 (a) The fully completed form for application for registration as
4 a gaming employee prescribed in subsection 3;

5 (b) Two complete sets of the fingerprints of the applicant,
6 unless directly forwarded electronically or by another means to the
7 Central Repository for Nevada Records of Criminal History;

8 (c) The fee for processing the application for registration or
9 renewal of registration as a gaming employee prescribed by the
10 Board pursuant to subsection 6, unless otherwise prescribed by
11 regulation of the Commission; and

12 (d) A completed statement as prescribed in subsections 1 and 2
13 of NRS 463.3351.

14 If the Board determines after receiving an application for
15 registration or renewal of registration as a gaming employee that
16 the application is incomplete, the Board may suspend the
17 temporary registration as a gaming employee of the applicant who
18 filed the incomplete application. An applicant whose temporary
19 registration is suspended shall not be eligible to work as a gaming
20 employee until such time as he files a complete application.

21 10. A person who is temporarily registered or registered as a
22 gaming employee is eligible for employment in any licensed gaming
23 establishment in this state until ~~the work permit is denied or~~ such
24 registration is objected to by the Board, expires or is suspended or
25 revoked. ~~However, each such employee shall notify the Board~~
26 ~~within 10 days following any change of his place of employment at~~
27 ~~a gaming establishment. Such a notification shall be deemed an~~
28 ~~application for a work permit that the Board may deny or object to~~
29 ~~after conducting any investigations the Board deems appropriate.~~
30 ~~The provisions of subsections 9 to 16, inclusive, apply to any such~~
31 ~~objection of the Board.~~ The Commission shall adopt regulations to:

32 (a) ~~Facilitate~~ Establish uniform procedures for the ~~issuance of~~
33 ~~work permits by counties and cities;~~ registration of gaming
34 employees;

35 (b) Establish uniform criteria for ~~denial by a county or city~~
36 ~~licensing authority~~ objection by the Board of an application for ~~a~~
37 ~~work permit;~~ registration; and

38 (c) Provide for the creation and maintenance of a system of
39 records that contain information regarding the current place of
40 employment of each person who ~~possesses a valid work permit.~~

41 ~~9.~~ is registered as a gaming employee and each person whose
42 registration as a gaming employee has expired, was objected to by
43 the Board, or was suspended or revoked. The system of records
44 must be accessible by licensees for the limited purpose of
45 complying with subsection 2.



1 **11.** If the Board, within the 120-day period ~~[]~~ *prescribed in*
2 *subsection 9*, notifies:

3 (a) The ~~[county or city licensing authority;]~~ *applicable licensee;*
4 and

5 (b) The applicant,
6 that the Board *suspends or* objects to the ~~[granting of a work permit~~
7 ~~to the applicant, the authority shall deny the work permit and shall~~
8 ~~immediately revoke and repossess any temporary work permit~~
9 ~~which it may have issued.]~~ *temporary registration of an applicant*
10 *as a gaming employee, the licensee shall immediately terminate*
11 *the applicant from employment or reassign him to a position that*
12 *does not require registration as a gaming employee.* The notice of
13 *suspension or* objection by the Board which is sent to the applicant
14 must include a statement of the facts upon which the Board relied in
15 making its *suspension or* objection.

16 ~~[10.—Whenever an application for a work permit is made to the~~
17 ~~Board and the Board denies such an application, it shall include in~~
18 ~~its notice of the denial a statement of the facts upon which it relied~~
19 ~~in denying the application.~~

20 ~~—11.]~~ **12.** Any person whose application for ~~[a work permit has~~
21 ~~been denied because of an objection by the Board or whose~~
22 ~~application has been denied]~~ *registration or renewal of registration*
23 *as a gaming employee has been suspended or objected to* by the
24 Board may, not later than 60 days after receiving notice of the
25 ~~[denial]~~ *suspension* or objection, apply to the Board for a hearing. A
26 failure of a person whose application has been ~~[denied]~~ *objected to*
27 *or suspended* to apply for a hearing within 60 days or his failure to
28 appear at a hearing of the Board conducted pursuant to this section
29 shall be deemed to be an admission that the ~~[denial]~~ *suspension* or
30 objection is well-founded, and the failure precludes administrative
31 or judicial review. At the hearing, the Board shall take any
32 testimony deemed necessary. After the hearing, the Board shall
33 review the testimony taken and any other evidence, and shall ,
34 within 45 days after the date of the hearing , mail to the applicant its
35 decision sustaining or reversing the ~~[denial of the work permit]~~
36 *suspension* or the objection to the ~~[issuance of a work permit.~~

37 ~~—12.]~~ *registration of the applicant as a gaming employee.*

38 **13.** The Board may *suspend or* object to the ~~[issuance of a~~
39 ~~work permit or may refuse to issue a work permit]~~ *registration of*
40 *an applicant as a gaming employee* for any cause deemed
41 reasonable by the Board. The Board may object ~~[or refuse]~~ *to or*
42 *suspend the registration* if the applicant has:

43 (a) Failed to disclose or misstated information or otherwise
44 attempted to mislead the Board with respect to any material fact



1 contained in the application for ~~the issuance or renewal of a work~~
2 ~~permit;~~ *registration as a gaming employee;*

3 (b) Knowingly failed to comply with the provisions of this
4 chapter or chapter 463B, 464 or 465 of NRS or the regulations of
5 the Commission at a place of previous employment;

6 (c) Committed, attempted or conspired to commit any crime of
7 moral turpitude, embezzlement or larceny or any violation of any
8 law pertaining to gaming, or any crime which is inimical to the
9 declared policy of this state concerning gaming;

10 (d) Committed, attempted or conspired to commit a crime which
11 is a felony or gross misdemeanor in this state or an offense in
12 another state or jurisdiction which would be a felony or gross
13 misdemeanor if committed in this state;

14 (e) Been identified in the published reports of any federal or
15 state legislative or executive body as being a member or associate of
16 organized crime, or as being of notorious and unsavory reputation;

17 (f) Been placed and remains in the constructive custody of any
18 federal, state or municipal law enforcement authority; or

19 (g) Had ~~a work permit~~ *registration as a gaming employee*
20 revoked or committed any act which is a ground for the revocation
21 of ~~a work permit~~ *registration as a gaming employee* or would
22 have been a ground for revoking ~~this work permit if he~~ *registration*
23 *as a gaming employee if the applicant* had then ~~held a work~~
24 ~~permit.~~ *been registered as a gaming employee.*

25 If the Board ~~issues~~ *registers* or does not *suspend or* object to the
26 ~~issuance of a work permit to~~ *registration of* an applicant ~~as~~ *as a*
27 *gaming employee*, it may specially limit the period for which the
28 ~~permit~~ *registration* is valid, limit the job classifications for which
29 the ~~holder of the permit~~ *registered gaming employee* may be
30 employed and establish such individual conditions for the
31 ~~issuance,~~ renewal and effectiveness of the ~~permit~~ *registration* as
32 the Board deems appropriate, including required submission to
33 unscheduled tests for the presence of alcohol or controlled
34 substances.

35 ~~[13.]~~ **14.** Any applicant aggrieved by the decision of the Board
36 may, within 15 days after the announcement of the decision, apply
37 in writing to the Commission for review of the decision. Review is
38 limited to the record of the proceedings before the Board. The
39 Commission may sustain, modify or reverse the Board's decision.
40 The decision of the Commission is subject to judicial review
41 pursuant to NRS 463.315 to 463.318, inclusive.

42 ~~[14. Except as otherwise provided in this subsection, all~~
43 ~~records acquired or compiled by the Board or Commission relating~~
44 ~~to any application made pursuant to this section and all lists of~~
45 ~~persons to whom work permits have been issued or denied and all~~



1 ~~records of the names or identity of persons engaged in the gaming~~
 2 ~~industry in this state are confidential and must not be disclosed~~
 3 ~~except in the proper administration of this chapter or to an~~
 4 ~~authorized law enforcement agency. Upon receipt of a request from~~
 5 ~~the Welfare Division of the Department of Human Resources~~
 6 ~~pursuant to NRS 425.400 for information relating to a specific~~
 7 ~~person who has applied for or holds a work permit, the Board shall~~
 8 ~~disclose to the Division his social security number, residential~~
 9 ~~address and current employer as that information is listed in the files~~
 10 ~~and records of the Board. Any record of the Board or Commission~~
 11 ~~which shows that the applicant has been convicted of a crime in~~
 12 ~~another state must show whether the crime was a misdemeanor,~~
 13 ~~gross misdemeanor, felony or other class of crime as classified by~~
 14 ~~the state in which the crime was committed. In a disclosure of the~~
 15 ~~conviction, reference to the classification of the crime must be based~~
 16 ~~on the classification in the state where it was committed.]~~

17 15. The Chairman of the Board may designate a member of the
 18 Board or the Board may appoint a hearing examiner and authorize
 19 that person to perform on behalf of the Board any of the following
 20 functions required of the Board by this section concerning ~~[work~~
 21 ~~permits:]~~ *the registration or renewal of registration of gaming*
 22 *employees:*

- 23 (a) Conducting a hearing and taking testimony;
- 24 (b) Reviewing the testimony and evidence presented at the
 25 hearing;
- 26 (c) Making a recommendation to the Board based upon the
 27 testimony and evidence or rendering a decision on behalf of the
 28 Board to sustain or reverse the ~~[denial of a work permit]~~ *suspension*
 29 *of* or the objection to the ~~[issuance or renewal of a work permit;]~~
 30 *registration of an applicant as a gaming employee;* and
- 31 (d) Notifying the applicant of the decision.

32 16. Notice by the Board as provided pursuant to this section is
 33 sufficient if it is mailed to the applicant's last known address as
 34 indicated on the application for ~~[a work permit,]~~ *registration as a*
 35 *gaming employee* or the record of the hearing, as the case may be.
 36 The date of mailing may be proven by a certificate signed by an
 37 officer or employee of the Board which specifies the time the notice
 38 was mailed. The notice shall be deemed to have been received by
 39 the applicant 5 days after it is deposited with the United States
 40 Postal Service with the postage thereon prepaid.

41 *17. Except as otherwise provided in this subsection, all*
 42 *records acquired or compiled by the Board or Commission*
 43 *relating to any application made pursuant to this section, all lists*
 44 *of persons registered as gaming employees, all lists of persons*
 45 *suspended or objected to by the Board and all records of the*



1 *names or identity of persons engaged in the gaming industry in*
 2 *this state are confidential and must not be disclosed except in the*
 3 *proper administration of this chapter or to an authorized law*
 4 *enforcement agency. Upon receipt of a request from the Welfare*
 5 *Division of the Department of Human Resources pursuant to NRS*
 6 *425.400 for information relating to a specific person who has*
 7 *applied for registration as a gaming employee or is registered as a*
 8 *gaming employee, the Board shall disclose to the Division his*
 9 *social security number, residential address and current employer*
 10 *as that information is listed in the files and records of the Board.*
 11 *Any record of the Board or Commission which shows that the*
 12 *applicant has been convicted of a crime in another state must*
 13 *show whether the crime was a misdemeanor, gross misdemeanor,*
 14 *felony or other class of crime as classified by the state in which the*
 15 *crime was committed. In a disclosure of the conviction, reference*
 16 *to the classification of the crime must be based on the*
 17 *classification in the state where it was committed.*

18 *18. The employment of a person as a gaming employee who,*
 19 *on the date employment commences, is not eligible to work as a*
 20 *gaming employee and is not on the list of persons registered as*
 21 *gaming employees maintained by the Board shall constitute an*
 22 *unsuitable method of operation by the licensee that employs the*
 23 *person and may be grounds for disciplinary action by the Board*
 24 *and the Commission in accordance with the Nevada Gaming*
 25 *Control Act and the regulations of the Commission. To assist the*
 26 *Board in maintaining the list of persons registered as gaming*
 27 *employees, any licensee that terminates a gaming employee for*
 28 *committing, or being suspected of committing, an act on the*
 29 *premises of the licensee which may be a crime shall inform the*
 30 *Board of such termination not later than 24 hours thereof.*

31 **Sec. 8.** NRS 463.3351 is hereby amended to read as follows:

32 463.3351 1. An applicant for ~~the issuance~~ *registration* or
 33 renewal of ~~a work permit~~ *registration* as a gaming employee ~~or~~
 34 ~~independent agent~~ shall submit to the ~~agency issuing work permits~~
 35 ~~pursuant to NRS 463.335~~ *Board* the statement prescribed by the
 36 Welfare Division of the Department of Human Resources pursuant
 37 to NRS 425.520. The statement must be completed and signed by
 38 the applicant.

39 2. The ~~issuing agency~~ *Board* shall include the statement
 40 required pursuant to subsection 1 in:

41 (a) The application or any other forms that must be submitted
 42 for ~~the issuance~~ *registration* or renewal of ~~the work permit;~~
 43 *registration as a gaming employee;* or

44 (b) A separate form prescribed by the ~~issuing agency.~~
 45 ~~3. A work permit~~ *Board.*



1 3. *An applicant* may not be ~~issued or renewed by the issuing~~
2 ~~agency~~ *registered as a gaming employee* if the applicant:
3 (a) Fails to submit the statement required pursuant to subsection
4 1; or
5 (b) Indicates on the statement submitted pursuant to subsection
6 1 that he is subject to a court order for the support of a child and is
7 not in compliance with the order or a plan approved by the district
8 attorney or other public agency enforcing the order for the
9 repayment of the amount owed pursuant to the order.

10 4. If an applicant indicates on the statement submitted pursuant
11 to subsection 1 that he is subject to a court order for the support of a
12 child and is not in compliance with the order or a plan approved by
13 the district attorney or other public agency enforcing the order for
14 the repayment of the amount owed pursuant to the order, the
15 ~~issuing agency~~ *Board* shall advise the applicant to contact the
16 district attorney or other public agency enforcing the order to
17 determine the actions that the applicant may take to satisfy the
18 arrearage.

19 **Sec. 9.** NRS 463.3352 is hereby amended to read as follows:

20 463.3352 1. If ~~an agency that issues work permits pursuant~~
21 ~~to NRS 463.335~~ *the Board* receives a copy of a court order issued
22 pursuant to NRS 425.540 that provides for the suspension of all
23 professional, occupational and recreational licenses, certificates ,
24 and permits issued to a person who is ~~the holder of a work permit~~
25 *registered* as a gaming employee ~~for independent agent issued by~~
26 ~~the agency, the agency~~ , *the Board* shall deem the ~~work permit~~
27 ~~issued to~~ *registration of* that person to be suspended at the end of
28 the 30th day after the date on which the court order was issued
29 unless the ~~agency~~ *Board* receives a letter issued to the ~~holder of~~
30 ~~the work permit~~ *registered gaming employee* by the district
31 attorney or other public agency pursuant to NRS 425.550 stating
32 that the ~~holder of the work permit~~ *registered gaming employee* has
33 complied with the subpoena or warrant or has satisfied the arrearage
34 pursuant to NRS 425.560.

35 2. ~~An agency that issues work permits pursuant to NRS~~
36 ~~463.335~~ *The Board* shall reinstate ~~a work permit~~ *the registration*
37 *as a gaming employee of a person* that has been suspended by a
38 district court pursuant to NRS 425.540 if the ~~agency~~ *Board*
39 receives a letter issued by the district attorney or other public agency
40 pursuant to NRS 425.550 to the person whose ~~work permit~~
41 *registration* was suspended stating that the person whose ~~work~~
42 ~~permit~~ *registration* was suspended has complied with the subpoena
43 or warrant or has satisfied the arrearage pursuant to NRS 425.560.



1 **Sec. 10.** NRS 463.3354 is hereby amended to read as follows:
2 463.3354 An application for ~~the issuance of a work permit~~
3 *registration or renewal of registration* as a gaming employee ~~or~~
4 ~~independent agent~~ must include the social security number of the
5 applicant.

6 **Sec. 11.** NRS 463.336 is hereby amended to read as follows:
7 463.336 1. The Commission may issue an order summarily
8 suspending a person's ~~work permit~~ *registration as a gaming*
9 *employee* upon a finding that the suspension is necessary for the
10 immediate preservation of the public peace, health, safety, morals,
11 good order or general welfare. The order becomes effective when
12 served upon the ~~holder of the permit~~ *person registered*.

13 2. The order of summary suspension must state the facts upon
14 which the finding of necessity for the suspension is based. For
15 purposes of this section, the order of summary suspension shall be
16 deemed a complaint.

17 3. An order of summary suspension must be signed by at least
18 three members of the Commission.

19 4. The person whose ~~work permit~~ *registration as a gaming*
20 *employee* is summarily suspended:

21 (a) Has a right to a hearing on the order. The Commission shall
22 schedule a hearing within 5 days after receipt of the person's notice
23 of defense.

24 (b) Must file a notice of defense within 30 days after the
25 effective date of the order of summary suspension. Failure to file
26 this notice in a timely manner waives his right to a hearing before
27 the Commission and to judicial review of the final decision.

28 5. All affirmative defenses must be specifically stated in the
29 notice of defense and unless an objection is stated to the form or
30 manner of the order, all objections to the form of the complaint shall
31 be deemed waived.

32 6. Except as otherwise provided in this section, the procedures
33 for a disciplinary action in NRS 463.312 to 463.3145, inclusive,
34 must be followed.

35 **Sec. 12.** NRS 463.337 is hereby amended to read as follows:

36 463.337 1. If any gaming employee or independent agent ,
37 *who is registered as a gaming employee with the board*, is
38 convicted of any violation of this chapter or chapter 463B, 464 or
39 465 of NRS, or if in investigating an alleged violation of this chapter
40 by any licensee the Commission finds that a *registered* gaming
41 employee employed by or ~~an~~ *a registered* independent agent
42 contracting with the licensee has been guilty of cheating, the
43 Commission shall , after a hearing as provided in NRS 463.310 and
44 463.312 to 463.3145, inclusive ~~f~~



1 ~~—(a) If the gaming employee or independent agent holds a work~~
2 ~~permit issued by the Board, revoke it.~~
3 ~~—(b) If the gaming employee or independent agent holds a work~~
4 ~~permit issued by a county or city licensing authority, notify the~~
5 ~~authority to revoke it, and the county or city licensing authority shall~~
6 ~~revoke it.], *revoke the registration.*~~
7 2. The Commission may revoke ~~[a work permit issued by the~~
8 ~~Board or, if issued by a county or city licensing authority, notify the~~
9 ~~authority to revoke it,]~~ *the registration of a gaming employee or*
10 *independent agent* if the Commission finds , after a hearing as
11 provided in NRS 463.310 and 463.312 to 463.3145, inclusive, that
12 the gaming employee or independent agent has failed to disclose,
13 misstated or otherwise misled the Board in respect to any fact
14 contained within any application for ~~[a work permit]~~ *registration as*
15 *a gaming employee* or, subsequent to being ~~[issued a work permit:]~~
16 *registered as a gaming employee:*
17 (a) Committed, attempted or conspired to do any of the acts
18 prohibited by this chapter or chapter 463B, 464 or 465 of NRS;
19 (b) Knowingly possessed or permitted to remain in or upon any
20 licensed premises any cards, dice, mechanical device or any other
21 cheating device whatever, the use of which is prohibited by statute
22 or ordinance;
23 (c) Concealed or refused to disclose any material fact in any
24 investigation by the Board;
25 (d) Committed, attempted or conspired to commit larceny or
26 embezzlement against a gaming licensee or upon the premises of a
27 licensed gaming establishment;
28 (e) Been convicted in any jurisdiction other than Nevada of any
29 offense involving or relating to gambling;
30 (f) Accepted employment without prior Commission approval in
31 a position for which he could be required to be licensed under this
32 chapter after having been denied a license for a reason involving
33 personal unsuitability or after failing to apply for licensing when
34 requested to do so by the Commission;
35 (g) Been refused the issuance of any license, permit or approval
36 to engage in or be involved with gaming or pari-mutuel wagering in
37 any jurisdiction other than Nevada, or had any such license, permit
38 or approval revoked or suspended;
39 (h) Been prohibited under color of governmental authority from
40 being present upon the premises of any gaming establishment or any
41 establishment where pari-mutuel wagering is conducted for any
42 reason relating to improper gambling activities or any illegal act;
43 (i) Contumaciously defied any legislative investigative
44 committee or other officially constituted bodies acting on behalf of
45 the United States or any state, county or municipality which seeks to



1 investigate crimes relating to gaming, corruption of public officials,
2 or any organized criminal activities; or

3 (j) Been convicted of any felony or gross misdemeanor, other
4 than one constituting a violation of this chapter or chapter 463B,
5 464 or 465 of NRS.

6 3. ~~[A work permit must not be issued by any authority in this
7 state to a person whose work permit has previously been revoked
8 pursuant to this section, or to whom the issuance or renewal of a
9 work permit has been denied, except with the unanimous approval
10 of the Commission members.~~

11 ~~—4.]~~ A gaming employee or independent agent whose ~~[work
12 permit]~~ *registration as a gaming employee* has been revoked
13 pursuant to this section is entitled to judicial review of the
14 Commission's action in the manner prescribed by NRS 463.315 to
15 463.318, inclusive.

16 ~~[5.]~~ 4. Nothing in this section limits or prohibits the
17 enforcement of NRS 463.165, 463.560, 463.595, 463.637 or
18 463.645.

19 **Sec. 13.** NRS 463.339 is hereby amended to read as follows:

20 463.339 An applicant for licensing, registration, finding of
21 suitability ~~[, work permit]~~ or any approval or consent required by
22 this chapter or chapter 462 of NRS shall make full and true
23 disclosure of all information to the Board, Commission or other
24 relevant governmental authority as necessary or appropriate in the
25 public interest or as required in order to carry out the policies of this
26 state relating to licensing and control of the gaming industry and the
27 operation of charitable lotteries.

28 **Sec. 14.** NRS 463.3403 is hereby amended to read as follows:

29 463.3403 Any information obtained by the Board from any
30 licensee, his employer or agent relating to the termination of the
31 employment of a gaming employee or the services of an
32 independent agent is confidential and must not be disclosed except:

33 1. Such information obtained from the former employer of an
34 applicant for ~~[a work permit]~~ *registration as a gaming employee*
35 must be disclosed to the applicant to the extent necessary to permit
36 him to respond to any *suspension or* objection made by the Board to
37 his application for ~~[the permit;]~~ *such registration;*

38 2. In the necessary administration of this chapter; or

39 3. Upon the lawful order of a court of competent jurisdiction.

40 **Sec. 15.** NRS 463.482 is hereby amended to read as follows:

41 463.482 As used in NRS 463.160 to 463.170, inclusive,
42 463.368, 463.386, 463.482 to 463.645, inclusive, *and sections 2, 3*
43 *and 4 of this act*, and 463.750, unless the context otherwise
44 requires, the words and terms defined in NRS 463.4825 to 463.488,
45 inclusive, have the meanings ascribed to them in those sections.



1 **Sec. 16.** NRS 463.510 is hereby amended to read as follows:
2 463.510 1. The purported sale, assignment, transfer, pledge ,
3 *exercise of an option to purchase* or other disposition of any
4 security issued by a corporation, other than a publicly traded
5 corporation, which holds a state gaming license ~~for granting of an~~
6 ~~option to purchase such a security~~ is void unless approved in
7 advance by the Commission.

8 2. If at any time the Commission finds that an individual owner
9 of any such security is unsuitable to continue as a gaming licensee
10 in this state, the owner shall immediately offer the security to the
11 issuing corporation for purchase. The corporation shall purchase the
12 security so offered, for cash at fair market value, within 10 days
13 after the date of the offer.

14 3. Beginning upon the date when the Commission serves notice
15 of a determination of unsuitability pursuant to subsection 2 upon the
16 corporation, it is unlawful for the unsuitable owner:

- 17 (a) To receive any dividend or interest upon any such security;
18 (b) To exercise, directly or through any trustee or nominee, any
19 voting right conferred by such security; or
20 (c) To receive any remuneration in any form from the
21 corporation, for services rendered or otherwise.

22 4. Every security issued by a corporation, other than a publicly
23 traded corporation, which holds a *state* gaming license must bear a
24 statement, on both sides of the certificate evidencing the security, of
25 the restrictions imposed by this section.

26 **Sec. 17.** NRS 463.567 is hereby amended to read as follows:

27 463.567 1. The purported sale, assignment, transfer, pledge,
28 ~~granting~~ *exercise* of an option to purchase, or other disposition of
29 any interest in a limited partnership which holds a state gaming
30 license is ineffective unless approved in advance by the
31 Commission.

32 2. If at any time the Commission finds that an individual owner
33 of any such interest is unsuitable to hold that interest, the
34 Commission shall immediately notify the limited partnership of that
35 fact. The limited partnership shall, within 10 days from the date that
36 it receives the notice from the Commission, return to the unsuitable
37 owner, in cash, the amount of his capital account as reflected on the
38 books of the partnership.

39 3. Beginning on the date when the Commission serves notice
40 of a determination of unsuitability pursuant to subsection 2 upon the
41 limited partnership, it is unlawful for the unsuitable owner:

- 42 (a) To receive any share of the profits or interest upon any
43 limited partnership interest;
44 (b) To exercise, directly or through any trustee or nominee, any
45 voting right conferred by such interest; or



1 (c) To receive any remuneration in any form from the limited
2 partnership, for services rendered or otherwise.

3 4. The certificate of limited partnership of any limited
4 partnership holding a state gaming license must contain a statement
5 of the restrictions imposed by this section.

6 **Sec. 18.** NRS 463.5733 is hereby amended to read as follows:

7 463.5733 1. The purported sale, assignment, transfer, pledge,
8 ~~granting~~ *exercise* of an option to purchase or other disposition of
9 any interest in a limited-liability company which holds a *state*
10 *gaming* license is ineffective unless approved in advance by the
11 Commission.

12 2. If at any time the Commission finds that a member is
13 unsuitable to hold an interest in a limited-liability company, the
14 Commission shall immediately notify the limited-liability company
15 of that fact. The limited-liability company shall, within 10 days after
16 it receives the notice from the Commission, return to the member, in
17 cash, the amount of his capital account as reflected on the books of
18 the company.

19 3. Except as otherwise provided in subsection 2, beginning on
20 the date when the Commission serves notice of a determination of
21 unsuitability pursuant to subsection 2 upon the limited-liability
22 company, it is unlawful for the unsuitable member:

23 (a) To receive any share of the distribution of profits of the
24 limited-liability company or any payments upon dissolution of the
25 company;

26 (b) To exercise any voting right conferred by the member's
27 interest in the limited-liability company;

28 (c) To participate in the management of the limited-liability
29 company; or

30 (d) To receive any remuneration in any form from the limited-
31 liability company, for services rendered or otherwise.

32 4. The articles of organization of any limited-liability company
33 holding a *state gaming* license must contain a statement of the
34 restrictions imposed by this section.

35 **Sec. 19.** NRS 463.650 is hereby amended to read as follows:

36 463.650 1. Except as otherwise provided in subsections 2 to
37 5, inclusive, it is unlawful for any person, either as owner, lessee or
38 employee, whether for hire or not, to operate, carry on, conduct or
39 maintain any form of manufacture, selling or distribution of any
40 gaming device, cashless wagering system or interactive gaming
41 system for use or play in Nevada or for distribution outside of
42 Nevada without first procuring and maintaining all required federal,
43 state, county and municipal licenses.



1 2. A lessor who specifically acquires equipment for a capital
2 lease is not required to be licensed under this section or
3 NRS 463.660.

4 3. The holder of a state gaming license or the holding company
5 of a corporation, partnership, limited partnership, limited-liability
6 company or other business organization holding a license may,
7 within 2 years after cessation of business or upon specific approval
8 by the Board, dispose of by sale in a manner approved by the Board,
9 any or all of its gaming devices, including slot machines, and
10 cashless wagering systems, without a distributor's license. In cases
11 of bankruptcy of a state gaming licensee or foreclosure of a lien by a
12 bank or other person holding a security interest for which gaming
13 devices are security in whole or in part for the lien, the Board may
14 authorize the disposition of the gaming devices without requiring a
15 distributor's license.

16 4. The Commission may, by regulation, authorize a person who
17 owns ~~[gaming]~~ :

18 (a) *Gaming* devices for home use in accordance with NRS
19 463.160 ; or

20 (b) *Antique gaming devices*,
21 to sell such devices without procuring a license therefor ~~[]~~ *to*
22 *residents of jurisdictions wherein ownership of such devices is*
23 *legal.*

24 5. Upon approval by the Board, a gaming device owned by:

25 (a) A law enforcement agency;

26 (b) A court of law; or

27 (c) A gaming device repair school licensed by the Commission
28 on Postsecondary Education,

29 may be disposed of by sale, in a manner approved by the Board,
30 without a distributor's license. An application for approval must be
31 submitted to the Board in the manner prescribed by the Chairman.

32 6. Any person whom the Commission determines is a suitable
33 person to receive a license under the provisions of this section and
34 NRS 463.660 may be issued a manufacturer's or distributor's
35 license. The burden of proving his qualification to receive or hold a
36 license under this section and NRS 463.660 is at all times on the
37 applicant or licensee.

38 7. Every person who must be licensed pursuant to this section
39 is subject to the provisions of NRS 463.482 to 463.645, inclusive,
40 unless exempted from those provisions by the Commission.

41 8. The Commission may exempt, for any purpose, a
42 manufacturer, seller or distributor from the provisions of NRS
43 463.482 to 463.645, inclusive, if the Commission determines that
44 the exemption is consistent with the purposes of this chapter.

45 9. As used in this section ~~[, "holding"]~~ :



1 (a) *“Antique gaming device” means a gaming device that was*
2 *manufactured before 1951.*

3 (b) *“Holding company”* has the meaning ascribed to it in
4 NRS 463.485.

5 **Sec. 20.** NRS 179.301 is hereby amended to read as follows:

6 179.301 1. The State Gaming Control Board and Nevada
7 Gaming Commission and their employees, agents and
8 representatives may inquire into and inspect any records sealed
9 pursuant to NRS 179.245 or 179.255, if the event or conviction was
10 related to gaming, for purposes of determining the suitability or
11 qualifications of any person to hold a state gaming license,
12 manufacturer’s, seller’s or distributor’s license or ~~gaming work~~
13 ~~permit~~ *registration as a gaming employee* pursuant to chapter 463
14 of NRS. Events and convictions, if any, which are the subject of an
15 order sealing records may form the basis for recommendation,
16 denial or revocation of those licenses or work permits.

17 2. The Central Repository and its employees may inquire into
18 and inspect any records sealed pursuant to NRS 179.245 or 179.255
19 that constitute information relating to sexual offenses, and may
20 notify employers of the information in accordance with NRS
21 179A.180 to 179A.240, inclusive.

22 3. Records which have been sealed pursuant to NRS 179.245
23 or 179.255 and which are retained in the statewide registry
24 established pursuant to NRS 179B.200 may be inspected pursuant to
25 chapter 179B of NRS by an officer or employee of the Central
26 Repository or a law enforcement officer in the regular course of his
27 duties.

28 **Sec. 21.** NRS 646.020 is hereby amended to read as follows:

29 646.020 1. Every pawnbroker doing business in any
30 incorporated city or unincorporated town in this state shall maintain
31 in his place of business a book or other permanent record in which
32 must be legibly written in the English language, at the time of each
33 loan or purchase a record thereof containing:

34 (a) The date and time of the transaction.

35 (b) The name or other identification of the person or employee
36 conducting the transaction.

37 (c) The name, age, street and house number, the serial number
38 of one piece of positive identification ~~for a work permit issued~~
39 ~~pursuant to NRS 463.335~~ and a general description of the
40 complexion, color of hair and facial appearance of the person with
41 whom the transaction is had. In lieu of recording the serial number
42 of a piece of positive identification ~~for a work permit,~~, the record
43 may contain an indication that the pawnbroker knows the person
44 with whom the transaction is had.



1 (d) A description of the property received in pledge. In the case
2 of watches, the description must contain the name of the maker and
3 the number of the works or the case. In the case of jewelry, all
4 letters and marks inscribed thereon must be included in the
5 description.

6 (e) The amount loaned.

7 (f) The number of any pawn ticket issued therefor.

8 2. The person with whom a transaction is had shall, at the time
9 of the transaction, certify in writing that he has the legal right to
10 pledge or sell the property.

11 3. The record and all goods received must at all times during
12 the ordinary hours of business be open to the inspection of the
13 prosecuting attorney or of any peace officer.

14 **Sec. 22.** NRS 244.353, 463.0195, and 463.0197 are hereby
15 repealed.

16 **Sec. 23.** Notwithstanding the amendatory provisions of this
17 act, a person who holds a valid work permit on October 1, 2003,
18 issued before October 1, 2003, shall be deemed to be registered as a
19 gaming employee on October 1, 2003, and the registration of such a
20 person shall be deemed to expire on the expiration date set forth on
21 the work permit, unless objected to by the Board or suspended or
22 revoked. If the work permit of such a person does not set forth an
23 expiration date, the registration of such a person shall be deemed to
24 expire on the person's birthday in 2005, unless objected to by the
25 Board or suspended or revoked.

26 **Sec. 24.** 1. This section and section 19 of this act become
27 effective upon passage and approval.

28 2. Sections 1, 2, 3, 4 and 15 to 18, inclusive, of this act become
29 effective on July 1, 2003.

30 3. Section 6 of this act becomes effective on October 1, 2003.

31 4. Sections 1.3, 1.7, 5, 7 to 14, inclusive, and 20 to 23,
32 inclusive, of this act become effective on January 1, 2004.

TEXT OF REPEALED SECTIONS

**244.353 Revocation or suspension of work permit or
identification card for licensed gambling establishment: Appeal
to county commissioners.**

Whenever under the provisions of any law or county ordinance a
person is required to obtain a work permit or identification card
from the sheriff or other county officer as a condition of



employment in a licensed gambling establishment, and such work permit or identification card is revoked or suspended by the sheriff or other county officer, the person aggrieved may appeal therefrom to the board of county commissioners.

463.0195 "Temporary work permit" defined.

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

463.0197 "Work permit" defined.

"Work permit" means any card, certificate or permit issued by the Board or by a county or city licensing authority, whether denominated as a work permit, registration card or otherwise, authorizing the holder to be employed as a gaming employee in this state or to serve as an independent agent. A document issued by any governmental authority for any employment other than gaming is not a valid work permit for the purposes of this chapter.

