

MOCK-UP

PROPOSED AMENDMENT 9207 TO  
ASSEMBLY BILL NO. 360  
FIRST REPRINT

PREPARED FOR ASSEMBLYMAN HORNE  
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PREPARED BY THE LEGAL DIVISION

**NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE OFFICIAL AMENDMENT MAY DIFFER.**

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) ~~orange double underlining~~ is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold* is newly added transitory language.

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 thereto ~~the following~~ ~~the following~~  
2 ~~the following:~~

3 ~~1. Notwithstanding any other provision of this chapter, for the purposes of the fees and taxes~~  
4 ~~imposed pursuant to this chapter, a person who controls directly or through an affiliate more than 500~~  
5 ~~slot machines in the aggregate, including, without limitation, an operator of a slot machine route:~~

6 ~~(a) Shall be deemed to be operating a nonrestricted operation; and~~

7 ~~(b) Is required to pay all fees and taxes imposed upon a nonrestricted operation with respect to~~  
8 ~~each slot machine that the person controls directly or through an affiliate.~~

9 ~~2. This section must not be construed to make a person described in subsection 1 who does not~~  
10 ~~hold a nonrestricted license a nonrestricted licensee for any purpose other than the purpose set forth in~~  
11 ~~subsection 1.~~

12 ~~3. As used in this section, "control" of a slot machine directly or through an affiliate means:~~

13 ~~(a) Owning or operating an establishment for which a restricted license has been issued, with~~  
14 ~~respect to the slot machines at the establishment; or~~

15 ~~(b) Placing and operating slot machines upon the premises of others, whether placed and operated~~  
16 ~~in an establishment for which a restricted license or nonrestricted license has been issued. (Deleted by~~  
17 ~~amendment.)~~ the provisions set forth as sections 1.1 and 1.3 of this act.

18 Sec. 1.1. 1. Before the Commission adopts regulations governing substantially new technology  
19 or before the Commission, the Board or the Chair of the Commission or Chair of the Board approves  
20 the development or placement into use of substantially new technology, the Commission shall hold  
21 public hearings in the manner provided in this section.

22 2. The Commission shall hold two or more public hearings during a period of not less than 60  
23 days nor more than 90 days to consider the regulation of substantially new technology. The purpose of  
24 the hearings must be to allow all interested persons, including Legislators, restricted and nonrestricted  
25 licensees, affected businesses and members of the general public to comment to the Commission  
26 concerning the effect of the new technology on licensure, regulation, gaming and non-gaming  
27 business, public access to and participation in gaming, and other issues raised by the new technology.

28 3. The notice of the hearings conducted pursuant to this section must be given in accordance  
29 with the following procedures:

30 (a) At least 30 days before each public hearing, notice of the hearing must be:

31 (1) Posted on the Commission's Internet website;

32 (2) Mailed to every person who has filed a request therefor with the Commission; and

1 (3) When the Commission deems advisable, mailed to any person whom the Commission  
2 believes would be interested in the hearing, and published in such additional form and manner as the  
3 Commission prescribes.

4 (b) The notice of public hearing must include:

5 (1) A statement of the time, place and nature of the hearing; and

6 (2) A general description of the substantially new technology to be considered during the  
7 hearing.

8 (c) On the date and at the time and place designated in the notice, the Commission shall afford  
9 any interested person or his or her authorized representative, or both, the opportunity to present  
10 statements, arguments or contentions in writing or orally.

11 4. Any interested person may file a petition with the Commission requesting that the Commission  
12 hold public hearings pursuant to this section concerning any substantially new technology. The  
13 petition must state, clearly and concisely, the nature of the substantially new technology in question  
14 and the reasons the petitioner believes that it should be reviewed. Upon receipt of the petition, the  
15 Commission shall within 45 days deny the request in writing or schedule public hearings concerning  
16 the technology in the manner provided in this section.

17 5. If the Commission holds public hearings pursuant to this section, the Commission, the Board,  
18 the Chair of the Commission and the Chair of the Board shall not adopt regulations or approve the  
19 development or placement into use of the technology being reviewed until the completion of the public  
20 hearings.

21 6. As used in this section, "substantially new technology" means technology that either is  
22 substantially different in type than technology currently in use or has substantially greater  
23 functionality than existing technology of the same type.

24 Sec. 1.3. The Commission may, upon the recommendation of the Board, adopt regulations that  
25 allow promotional schemes to be conducted by licensed operators of interactive gaming in direct  
26 association with a licensed interactive gaming activity, contest or tournament that includes a raffle,  
27 drawing or other similar game of chance.

28 Sec. 1.5. NRS 463.014 is hereby amended to read as follows:

29 463.014 "Cashless wagering system" means a method of wagering and accounting:

30 1. In which the validity and value of a wagering instrument or wagering credits are determined,  
31 monitored and retained by a computer operated and maintained by a licensee which maintains a record of  
32 each transaction involving the wagering instrument or wagering credits, exclusive of the game or gaming  
33 device on which wagers are being made. The term includes computerized systems which facilitate  
34 electronic transfers of money directly to or from a game or gaming device; or

35 2. Used in a race book or sports pool in which the validity and value of a wagering instrument or  
36 wagering credits are determined, monitored and retained on a computer that maintains a record of each  
37 transaction involving the wagering instrument or wagering credits and is operated and maintained by a  
38 licensee.

39 Sec. 1.7. NRS 463.0157 is hereby amended to read as follows:

40 463.0157 1. "Gaming employee" means any person connected directly with an operator of a slot  
41 route, the operator of a pari-mutuel system, the operator of an inter-casino linked system or a  
42 manufacturer, distributor or disseminator, or with the operation of a gaming establishment licensed to  
43 conduct any game, 16 or more slot machines, a race book, sports pool or pari-mutuel wagering, including:

44 (a) Accounting or internal auditing personnel who are directly involved in any recordkeeping or the  
45 examination of records associated with revenue from gaming;

46 (b) Boxpersons;

47 (c) Cashiers;

48 (d) Change personnel;

49 (e) Counting room personnel;

50 (f) Dealers;

51 (g) Employees of a person required by NRS 464.010 to be licensed to operate an off-track pari-mutuel  
52 system;

53 (h) Employees of a person required by NRS 463.430 to be licensed to disseminate information  
54 concerning racing and employees of an affiliate of such a person involved in assisting the person in  
55 carrying out the duties of the person in this State;

1 (i) Employees whose duties are directly involved with the manufacture, repair, sale or distribution of  
2 gaming devices, cashless wagering systems, mobile gaming systems, equipment associated with mobile  
3 gaming systems, interactive gaming systems or equipment associated with interactive gaming;

4 (j) Employees of operators of slot routes who have keys for slot machines or who accept and transport  
5 revenue from the slot drop;

6 (k) Employees of operators of inter-casino linked systems, mobile gaming systems or interactive  
7 gaming systems whose duties include the operational or supervisory control of the systems or the games  
8 that are part of the systems;

9 (l) Employees of operators of call centers who perform, or who supervise the performance of, the  
10 function of receiving and transmitting wagering instructions;

11 (m) Employees who have access to the Board's system of records for the purpose of processing the  
12 registrations of gaming employees that a licensee is required to perform pursuant to the provisions of this  
13 chapter and any regulations adopted pursuant thereto;

14 (n) Floorpersons;

15 (o) Hosts or other persons empowered to extend credit or complimentary services;

16 (p) Keno runners;

17 (q) Keno writers;

18 (r) Machine mechanics;

19 (s) Odds makers and line setters;

20 (t) Security personnel;

21 (u) Shift or pit bosses;

22 (v) Shifts;

23 (w) Supervisors or managers;

24 (x) Ticket writers;

25 (y) Employees of a person required by NRS 463.160 to be licensed to operate an information service;

26 ~~and~~

27 (z) Employees of a licensee who have local access and provide management, support, security or  
28 disaster recovery services for any hardware or software that is regulated pursuant to the provisions of  
29 this chapter and any regulations adopted pursuant thereto; and

30 (aa) Temporary or contract employees hired by a licensee to perform a function related to gaming.

31 2. "Gaming employee" does not include barbacks ~~or~~ bartenders ~~whose duties do not involve~~  
32 gaming activities, cocktail servers or other persons engaged exclusively in preparing or serving food or  
33 beverages.

34 3. As used in this section, "local access" means access to hardware or software from within a  
35 licensed gaming establishment, hosting center or elsewhere within this State.

36 Sec. 1.9. NRS 463.0161 is hereby amended to read as follows:

37 463.0161 1. "Gross revenue" means the total of all:

38 (a) Cash received as winnings;

39 (b) Cash received in payment for credit extended by a licensee to a patron for purposes of gaming;  
40 and

41 (c) Compensation received for conducting any game , or any contest or tournament in conjunction  
42 with interactive gaming, in which the licensee is not party to a wager,

43 less the total of all cash paid out as losses to patrons, those amounts paid to fund periodic payments  
44 and any other items made deductible as losses by NRS 463.3715. For the purposes of this section, cash or  
45 the value of noncash prizes awarded to patrons in a contest or tournament are not losses, except that  
46 losses in a contest or tournament conducted in conjunction with an inter-casino linked system may be  
47 deducted to the extent of the compensation received for the right to participate in that contest or  
48 tournament.

49 2. The term does not include:

50 (a) Counterfeit facsimiles of money, chips, tokens, wagering instruments or wagering credits;

51 (b) Coins of other countries which are received in gaming devices;

52 (c) Any portion of the face value of any chip, token or other representative of value won by a licensee  
53 from a patron for which the licensee can demonstrate that it or its affiliate has not received cash;

54 (d) Cash taken in fraudulent acts perpetrated against a licensee for which the licensee is not  
55 reimbursed;

56 (e) Cash received as entry fees for contests or tournaments in which patrons compete for prizes,  
57 except for a contest or tournament conducted in conjunction with an inter-casino linked system;

58 (f) Uncollected baccarat commissions; or

1 (g) Cash provided by the licensee to a patron and subsequently won by the licensee, for which the  
2 licensee can demonstrate that it or its affiliate has not been reimbursed.

3 3. As used in this section, "baccarat commission" means:

4 (a) A fee assessed by a licensee on cash paid out as a loss to a patron at baccarat to modify the odds of  
5 the game; or

6 (b) A rate or fee charged by a licensee for the right to participate in a baccarat game.

7 **Sec. 2.** NRS 463.0189 is hereby amended to read as follows:

8 463.0189 "Restricted license" or "restricted operation" means a state gaming license for, or an  
9 operation consisting of, not more than 15 slot machines and no other game or gaming device, *race book*  
10 *or sports pool* at an establishment in which the operation of slot machines is incidental to the primary  
11 business of the establishment.

12 **Sec. 2.3.** **NRS 463.01963 is hereby amended to read as follows:**

13 463.01963 "Wagering credit" means a representative of value, other than a chip, token or wagering  
14 instrument, that is used for wagering at a game, ~~for~~ gaming device, *race book or sports pool* and is  
15 obtained by the payment of cash or a cash equivalent, the use of a wagering instrument or the electronic  
16 transfer of money.

17 **Sec. 2.7.** **NRS 463.159 is hereby amended to read as follows:**

18 463.159 1. The Commission shall by regulation require audits of the financial statements of all  
19 nonrestricted licensees whose annual gross revenue is \$5,000,000 or more.

20 2. The Commission may require audits, compiled statements or reviews of the financial statements  
21 of nonrestricted licensees whose annual gross revenue is less than \$5,000,000.

22 3. The amounts of annual gross revenue provided for in subsections 1 and 2 must be increased or  
23 decreased annually in an amount corresponding to the percentage of increase or decrease in the Consumer  
24 Price Index (All Items) published by the United States Department of Labor for the preceding year. On or  
25 before December 15 of each year, the ~~Commission~~ **Board** shall determine the amount of the increase or  
26 decrease required by this subsection and establish the adjusted amounts of annual gross revenue in effect  
27 for the succeeding calendar year. The audits, compilations and reviews provided for in subsections 1 and  
28 2 must be made by independent accountants holding permits to practice public accounting in the State of  
29 Nevada.

30 4. Except as otherwise provided in subsection 5, for every audit required pursuant to this section:

31 (a) The independent accountants shall submit an audit report which must express an unqualified or  
32 qualified opinion or, if appropriate, disclaim an opinion on the statements taken as a whole in accordance  
33 with standards for the accounting profession established by rules and regulations of the Nevada State  
34 Board of Accountancy, but the preparation of statements without audit does not constitute compliance.

35 (b) The examination and audit must disclose whether the accounts, records and control procedures  
36 maintained by the licensee are as required by the regulations published by the Commission pursuant to  
37 NRS 463.156 to 463.1592, inclusive.

38 5. If the license of a nonrestricted licensee is terminated within 3 months after the end of a period  
39 covered by an audit, the licensee may submit compiled statements in lieu of an additional audited  
40 statement for the licensee's final period of business.

41 **Sec. 3.** NRS 463.160 is hereby amended to read as follows:

42 463.160 1. Except as otherwise provided in subsection 4 and NRS 463.172, it is unlawful for any  
43 person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with  
44 others:

45 (a) To deal, operate, carry on, conduct, maintain or expose for play in the State of Nevada any  
46 gambling game, gaming device, inter-casino linked system, mobile gaming system, slot machine, race  
47 book or sports pool;

48 (b) To provide or maintain any information service;

49 (c) To operate a gaming salon;

50 (d) To receive, directly or indirectly, any compensation or reward or any percentage or share of the  
51 money or property played, for keeping, running or carrying on any gambling game, slot machine, gaming  
52 device, mobile gaming system, race book or sports pool;

53 (e) To operate as a cash access and wagering instrument service provider; or

54 (f) To operate, carry on, conduct, maintain or expose for play in or from the State of Nevada any  
55 interactive gaming system,

56 ↪ without having first procured, and thereafter maintaining in effect, all federal, state, county and  
57 municipal gaming licenses as required by statute, regulation or ordinance or by the governing board of  
58 any unincorporated town.

2. The licensure of an operator of an inter-casino linked system is not required if:

(a) A gaming licensee is operating an inter-casino linked system on the premises of an affiliated licensee; or

(b) An operator of a slot machine route is operating an inter-casino linked system consisting of slot machines only.

3. Except as otherwise provided in subsection 4, it is unlawful for any person knowingly to permit any gambling game, slot machine, gaming device, inter-casino linked system, mobile gaming system, race book or sports pool to be conducted, operated, dealt or carried on in any house or building or other premises owned by the person, in whole or in part, by a person who is not licensed pursuant to this chapter, or that person's employee.

4. The Commission may, by regulation, authorize a person to own or lease gaming devices for the limited purpose of display or use in the person's private residence without procuring a state gaming license.

5. *For the purposes of this section, the operation of a race book or sports pool includes making the premises available for any of the following purposes:*

*(a) Accepting wagers from patrons;*

*(b) Allowing patrons to place wagers; or*

*(c) Allowing patrons to withdraw cash from an account for wagering or to be issued a ticket, receipt, representation of value or other credit representing a withdrawal from an account for wagering that can be redeemed for cash,*

*↪ whether by a transaction in person at an establishment or through mechanical means, such as a kiosk or similar device, regardless of whether that device would otherwise be considered associated equipment. A separate license must be obtained for each location at which such an operation is conducted.*

6. As used in this section, "affiliated licensee" has the meaning ascribed to it in NRS 463.430.

**Sec. 4.** NRS 463.161 is hereby amended to read as follows:

463.161 **1.** A license to operate 15 or fewer slot machines at an establishment in which the operation of slot machines is incidental to the primary business conducted at the establishment may only be granted to the operator of the primary business or to a licensed operator of a slot machine route.

**2.** *In a county whose population is 100,000 or more, a license to operate 15 or fewer slot machines at an establishment which is a bar, tavern, saloon or other similar location licensed to sell alcoholic beverages by the drink, for consumption on the premises, may only be granted if the establishment meets all the following conditions:*

*(a) The establishment contains a minimum of 2,500 square feet of space available for use by patrons.*

*(b) The establishment contains a permanent, physical bar.*

*(c) The establishment contains a restaurant that meets all the following requirements:*

*(1) The restaurant must provide seating for at least 25 patrons. For the purposes of determining the number of seats pursuant to this subparagraph, seating that is related to or associated with gaming employees, stools at the bar, and seating in a lounge or outside dining area must not be counted.*

*(2) The restaurant must contain a kitchen which must be operated not less than 12 hours each day that the establishment is open for business.*

*(3) If the restaurant allows admittance of minors, the dining room must be divided and separated from the bar area by a structural barrier sufficient to exclude minors from the bar area. If the restaurant does not allow the admittance of minors, a physical separation from the bar is not required, but a sign must be posted at the entrance of the establishment which states that the entrance of minors is prohibited.*

**3.** *As used in this section:*

*(a) "Bar" means a physical structure with a flat horizontal counter, on one side of which alcoholic liquors are kept and maintained, where seats may be placed for patrons to sit on the side opposite from where the alcoholic liquors are kept, and where the sale and service of alcoholic beverages are by the drink across such structure.*

*(b) "Restaurant" means a space operated in conjunction with an establishment, which is kept, used, maintained, advertised and held out to the public as a place where hot meals are prepared and served on premises.*

**Sec. 5.** NRS 463.245 is hereby amended to read as follows:

463.245 **1.** Except as otherwise provided in this section:

1 (a) All licenses issued to the same person, including a wholly owned subsidiary of that person, for the  
2 operation of any game, including a sports pool or race book, which authorize gaming at the same  
3 establishment must be merged into a single gaming license.

4 (b) A gaming license may not be issued to any person if the issuance would result in more than one  
5 licensed operation at a single establishment, whether or not the profits or revenue from gaming are shared  
6 between the licensed operations.

7 2. A person who has been issued a nonrestricted gaming license *for an operation described in*  
8 *subsection 1, 2 or 5 of NRS 463.0177* may establish a sports pool or race book on the premises of the  
9 establishment ~~at which the person conducts a nonrestricted gaming operation~~ only after obtaining  
10 permission from the Commission.

11 3. A person who has been issued a license to operate a sports pool or race book at an establishment  
12 may be issued a license to operate a sports pool or race book at ~~another~~ *a second* establishment  
13 *described in subsection 1 or 2 of NRS 463.0177 only* if the second establishment is operated by a person  
14 who has been issued a nonrestricted license ~~at~~ *for that establishment. A person who has been issued a*  
15 *license to operate a race book or sports pool at an establishment is prohibited from operating a race*  
16 *book or sports pool at:*

17 (a) *An establishment for which a restricted license has been granted; or*

18 (b) *An establishment at which only a nonrestricted license has been granted for an operation*  
19 *described in subsection 3 or 4 of NRS 463.0177.*

20 4. *A person who has been issued a license to operate a race book or sports pool shall not enter into*  
21 *an agreement for the sharing of revenue from the operation of the race book or sports pool with*  
22 *another person except:*

23 (a) *An affiliated licensed race book or sports pool; or*

24 (b) *The licensee of an establishment at which the race book or sports pool holds or obtains a*  
25 *license to operate pursuant to this section.*

26 *↪ This subsection does not prohibit an operator of a race book or sports pool from entering into an*  
27 *agreement with another person for the provision of shared services relating to advertising or*  
28 *marketing.*

29 5. Nothing in this section limits or prohibits an operator of an inter-casino linked system from  
30 placing and operating such a system on the premises of two or more gaming licensees and receiving,  
31 either directly or indirectly, any compensation or any percentage or share of the money or property played  
32 from the linked games in accordance with the provisions of this chapter and the regulations adopted by  
33 the Commission. An inter-casino linked system must not be used to link games other than slot machines,  
34 unless such games are located at an establishment that is licensed for games other than slot machines.

35 ~~5.1~~ 6. *For the purposes of this section, the operation of a race book or sports pool includes*  
36 *making the premises available for any of the following purposes:*

37 (a) *Allowing patrons to establish an account for wagering with the race book or sports pool;*

38 (b) *Accepting wagers from patrons;*

39 (c) *Allowing patrons to place wagers;*

40 (d) *Paying winning wagers to patrons; or*

41 (e) *Allowing patrons to withdraw cash from an account for wagering or to be issued a ticket,*  
42 *receipt, representation of value or other credit representing a withdrawal from an account for*  
43 *wagering that can be redeemed for cash,*

44 *↪ whether by a transaction in person at an establishment or through mechanical means, such as a*  
45 *kiosk or similar device, regardless of whether that device would otherwise be considered associated*  
46 *equipment.*

47 7. The provisions of this section do not apply to a license to operate a mobile gaming system or to  
48 operate interactive gaming.

49 **Sec. 5.1. NRS 463.569 is hereby amended to read as follows:**

50 463.569 1. Every general partner of, and every limited partner with more than a 5 percent  
51 ownership interest in, a limited partnership which holds a state gaming license must be licensed  
52 individually, according to the provisions of this chapter, and if, in the judgment of the Commission, the  
53 public interest will be served by requiring any other limited partners or any or all of the limited  
54 partnership's lenders, holders of evidence of indebtedness, underwriters, key executives, agents or  
55 employees to be licensed, the limited partnership shall require those persons to apply for a license in  
56 accordance with the laws and requirements in effect at the time the Commission requires the licensing.  
57 Publicly traded corporations which are limited partners of limited partnerships are not required to be  
58 licensed, but shall comply with NRS 463.635 to 463.645, inclusive. A person who is required to be

1 licensed by this section as a general or limited partner shall not receive that position until the person  
2 secures the required approval of the Commission. A person who is required to be licensed pursuant to a  
3 decision of the Commission shall apply for a license within 30 days after the Commission requests the  
4 person to do so.

5 2. All limited partners ~~holding~~ **seeking to hold** a 5 percent or less ownership interest in a limited  
6 partnership, other than a publicly traded limited partnership, which hold or apply for a state gaming  
7 license, must register in that capacity with the Board and submit to the Board's jurisdiction. Such  
8 registration must be made on forms prescribed by the Chair of the Board. The Chair of the Board may  
9 require a registrant to apply for licensure at any time in the Chair's discretion. ~~{A person who is required~~  
10 ~~to be registered by this section shall apply for registration within 30 days after the person becomes a~~  
11 ~~limited partner holding a 5 percent or less ownership interest in a limited partnership.}~~

12 3. The Commission may, with the advice and assistance of the Board, adopt such regulations as it  
13 deems necessary to carry out the provisions of subsection 2.

14 **Sec. 5.3. NRS 463.5735 is hereby amended to read as follows:**

15 463.5735 1. Every member and transferee of a member's interest with more than a 5 percent  
16 ownership interest in a limited-liability company, and every director and manager of a limited-liability  
17 company which holds or applies for a state gaming license, must be licensed individually according to the  
18 provisions of this chapter.

19 2. All members ~~holding~~ **seeking to hold** a 5 percent or less ownership interest in a limited-liability  
20 company, other than a publicly traded limited-liability company, which hold or apply for a state gaming  
21 license, must register in that capacity with the Board and submit to the Board's jurisdiction. Such  
22 registration must be made on forms prescribed by the Chair of the Board. The Chair of the Board may  
23 require a registrant to apply for licensure at any time in the Chair's discretion. ~~{A person who is required~~  
24 ~~to be registered by this section shall apply for registration within 30 days after the person becomes a~~  
25 ~~member holding a 5 percent or less ownership interest in a limited liability company.}~~

26 3. If, in the judgment of the Commission, the public interest will be served by requiring any  
27 members with a 5 percent or less ownership interest in a limited-liability company, or any of the limited-  
28 liability company's lenders, holders of evidence of indebtedness, underwriters, key executives, agents or  
29 employees to be licensed:

30 (a) The limited-liability company shall require those persons to apply for a license in accordance with  
31 the laws and requirements in effect at the time the Commission requires the licensing; and

32 (b) Those persons shall apply for a license within 30 days after being requested to do so by the  
33 Commission.

34 4. A publicly traded corporation which is a member of a limited-liability company is not required to  
35 be licensed, but shall comply with NRS 463.635 to 463.645, inclusive.

36 5. No person may become a member or a transferee of a member's interest in a limited-liability  
37 company which holds a license until the person secures the required approval of the Commission.

38 6. A director or manager of a limited-liability company shall apply for a license within 30 days after  
39 assuming office.

40 7. The Commission may, with the advice and assistance of the Board, adopt such regulations as it  
41 deems necessary to carry out the provisions of subsection 2.

42 **Sec. 5.5. NRS 463.670 is hereby amended to read as follows:**

43 463.670 1. The Legislature finds and declares as facts:

44 (a) That the inspection of **games**, gaming devices, associated equipment, cashless wagering systems,  
45 **inter-casino linked systems**, mobile gaming systems and interactive gaming systems is essential to carry  
46 out the provisions of this chapter.

47 (b) That the inspection of **games**, gaming devices, associated equipment, cashless wagering systems,  
48 **inter-casino linked systems**, mobile gaming systems and interactive gaming systems is greatly facilitated  
49 by the opportunity to inspect components before assembly and to examine the methods of manufacture.

50 (c) That the interest of this State in the inspection of **games**, gaming devices, associated equipment,  
51 cashless wagering systems, **inter-casino linked systems**, mobile gaming systems and interactive gaming  
52 systems must be balanced with the interest of this State in maintaining a competitive gaming industry in  
53 which games can be efficiently and expeditiously brought to the market.

54 2. The Commission may, with the advice and assistance of the Board, adopt and implement  
55 procedures that preserve and enhance the necessary balance between the regulatory and economic  
56 interests of this State which are critical to the vitality of the gaming industry of this State.

57 3. The Board may inspect every **game or** gaming device which is manufactured, sold or distributed:

58 (a) For use in this State, before the **game or** gaming device is put into play.

1 (b) In this State for use outside this State, before the gaming device is shipped out of this State.

2 4. The Board may inspect every game or gaming device which is offered for play within this State  
3 by a state gaming licensee.

4 5. The Board may inspect all associated equipment, every cashless wagering system, every inter-  
5 casino linked system, every mobile gaming system and every interactive gaming system which is  
6 manufactured, sold or distributed for use in this State before the equipment or system is installed or used  
7 by a state gaming licensee and at any time while the state gaming licensee is using the equipment or  
8 system.

9 6. In addition to all other fees and charges imposed by this chapter, the Board may determine, charge  
10 and collect an inspection fee from each manufacturer, seller, distributor or independent testing laboratory  
11 which must not exceed the actual cost of inspection and investigation.

12 7. The Commission shall adopt regulations which:

13 (a) Provide for the registration of independent testing laboratories, ~~†~~ and of each person that owns,  
14 operates or has significant involvement with an independent testing laboratory, specify the form of the  
15 application required for such registration, set forth the qualifications required for such registration and  
16 establish the fees required for the application, the investigation of the applicant and the registration of the  
17 applicant.

18 (b) Authorize the Board to utilize independent testing laboratories for the inspection and certification  
19 of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked  
20 system, mobile gaming system or interactive gaming system, or any components thereof.

21 (c) Establish uniform protocols and procedures which the Board and independent testing laboratories  
22 must follow during an inspection performed pursuant to subsection 3 or 5, and which independent testing  
23 laboratories must follow during the certification of any game, gaming device, associated equipment,  
24 cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming  
25 system, or any components thereof, for use in this State or for shipment from this State.

26 (d) Allow an application for the registration of an independent testing laboratory to be granted upon  
27 the independent testing laboratory's completion of an inspection performed in compliance with the  
28 uniform protocols and procedures established pursuant to paragraph (c) and satisfaction of such other  
29 requirements that the Board may establish.

30 (e) Provide the standards and procedures for the revocation of the registration of an independent  
31 testing laboratory.

32 (f) Provide the standards and procedures relating to the filing of an application for a finding of  
33 suitability pursuant to this section and the remedies should a person be found unsuitable.

34 (g) Provide any additional provisions which the Commission deems necessary and appropriate to  
35 carry out the provisions of this section and which are consistent with the public policy of this State  
36 pursuant to NRS 463.0129.

37 8. The Commission shall retain jurisdiction over any person registered pursuant to this section  
38 and any regulations adopted pursuant thereto, in all matters relating to a game, gaming device,  
39 associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or  
40 interactive gaming system, or any component thereof or modification thereto, even if the person ceases  
41 to be registered.

42 9. A person registered pursuant to this section is subject to the investigatory and disciplinary  
43 proceedings that are set forth in NRS 463.310 to 463.318, inclusive, and shall be punished as provided  
44 in those sections.

45 10. The Commission may, upon recommendation of the Board, require the following persons to  
46 file an application for a finding of suitability:

47 (a) A registered independent testing laboratory.

48 (b) An employee of a registered independent testing laboratory.

49 (c) An officer, director, partner, principal, manager, member, trustee or direct or beneficial owner  
50 of a registered independent testing laboratory or any person that owns or has significant involvement  
51 with the activities of a registered independent testing laboratory.

52 11. If a person fails to submit an application for a finding of suitability within 30 days after a  
53 demand by the Commission pursuant to this section, the Commission may make a finding of  
54 unsuitability. Upon written request, such period may be extended by the Chair of the Commission, at  
55 the Chair's sole and absolute discretion.

56 12. As used in this section, unless the context otherwise requires, "independent testing laboratory"  
57 means a private laboratory that is registered by the ~~†Commission~~ Board to inspect and certify games,  
58 gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile



1 gaming systems ~~and~~ or interactive gaming systems, and any components thereof ~~and~~ and modifications  
2 thereto, and to perform such other services as the Board and Commission may request.

3 Sec. 5.7. Section 6 of Assembly Bill No. 114 of this session is hereby amended to read as  
4 follows:

5  
6 Sec. 6. 1. ~~The~~ Upon recommendation of the Commission, ~~shall, by regulation,~~  
7 ~~authorize~~ the Governor, on behalf of the State of Nevada, is authorized to:

8 (a) Enter into agreements , in accordance with the requirements of this section, with other  
9 ~~states, or authorized agencies thereof, to enable patrons~~ governments whereby persons who are  
10 physically located in ~~the~~ a signatory ~~states to~~ jurisdiction may participate in interactive gaming  
11 ~~offered by licensees in those~~ conducted by one or more operators licensed by one of more of the  
12 signatory ~~states;~~ governments; and

13 (b) Take all necessary actions to ensure that any agreement entered into pursuant to this section  
14 becomes effective.

15 2. The Commission may:

16 (a) Make recommendations to the Governor to enter into agreements pursuant to this  
17 section.

18 (b) Upon the recommendation of the Board, adopt regulations relating to agreements  
19 pursuant to this section.

20 3. The regulations adopted by the Commission pursuant to this section may include, without  
21 limitation, provisions prescribing:

22 (a) The form, length and terms of an agreement entered into by this State and another  
23 government, including, without limitation, provisions relating to how:

24 (1) Taxes are to be treated by this State and another government;

25 (2) Revenues are to be shared and distributed; and

26 (3) Disputes with patrons are to be resolved.

27 (b) The information to be furnished to the Board and the Commission by a government that  
28 proposes to enter into an agreement with this State pursuant to this section.

29 (c) The information to be furnished by the Board to the Commission to enable the  
30 Commission to carry out the purposes of this section.

31 (d) The manner and procedure for hearings conducted by the Board and Commission  
32 pursuant to this section, including, without limitation, the need for any special rules or notices.

33 (e) The information to be furnished by the Commission to the Governor that supports the  
34 recommendations of the Commission made pursuant to this section.

35 (f) Any other procedures to be followed by the Board or Commission to carry out the  
36 purposes of this section.

37 4. Any regulations adopted by the Commission pursuant to ~~subsection 1 must:~~

38 ~~(a) Set forth provisions for any potential arrangements to share revenue between this State and~~  
39 ~~any other state or agency within another state.~~

40 ~~(b) Be~~ this section must be adopted in accordance with the provisions of chapter 233B of  
41 NRS.

42 5. The Governor may not enter into an agreement pursuant to this section unless the  
43 agreement includes provisions:

44 (a) For any potential arrangement for the sharing of revenues by this State and a  
45 government.

46 (b) That permit the effective regulation of interactive gaming by this State, including, without  
47 limitation, provisions relating to licensing of entities and natural persons, technical standards to  
48 be followed, resolution of disputes by patrons, requirements for bankrolls, enforcement,  
49 accounting and maintenance of records.

50 (c) That each government that is a signatory to the agreement agrees to prohibit operators of  
51 interactive gaming, service providers and manufacturers or distributors of interactive gaming  
52 systems from engaging in any activity permitted by the agreement if such operators of interactive  
53 gaming, service providers or manufacturers or distributors of interactive gaming systems are:

54 (1) Not licensed or found suitable in this State; or

55 (2) Not licensed or found suitable in the signatory jurisdiction pursuant to requirements  
56 that are materially consistent with the corresponding requirements of this State.

57 (d) That no variation or derogation from the requirements of the agreement is permitted for  
58 any signatory government absent the consent of this State and all signatory governments.

1 (e) That prohibit any subordinate or side agreements, except with respect to sharing of  
2 revenues, among any subset of governments that are signatories to the agreement.

3 (f) That, if the agreement allows persons physically located in this State to participate in  
4 interactive gaming conducted by another government or an operator of interactive gaming  
5 licensed by another government, require that government to establish and maintain regulatory  
6 requirements governing interactive gaming that are materially consistent with the requirements  
7 of this State in all material respects.

8 6. As used in this section:

9 (a) "Government" means any governmental unit of a national, state or local body exercising  
10 governmental functions, other than the United States Government. The term includes, without  
11 limitation, national and subnational governments, including their respective departments,  
12 agencies and instrumentalities and any department, agency or authority of any such  
13 governmental unit that has authority over gaming or gambling activities.

14 (b) "Jurisdiction" means the country, state or other geographic area over which a  
15 government exercises legal authority.

16  
17 Sec. 5.9. 1. The Legislative Commission shall create a committee to conduct an interim study  
18 concerning the impact of technology upon the regulation of gaming and upon the distinction  
19 between restricted and nonrestricted gaming licensees.

20 2. The committee created by the Legislative Commission to conduct the study must be  
21 composed of six voting members and seven nonvoting members, appointed and designated as  
22 follows:

23 (a) The Legislative Commission shall appoint three voting members of the Senate, at least one of  
24 whom must be a member of the minority political party.

25 (b) The Legislative Commission shall appoint three voting members of the Assembly, at least  
26 one of whom must be a member of the minority political party.

27 (c) The Legislative Commission shall appoint five nonvoting members, with one member  
28 representing each of the following:

29 (1) Manufacturers or developers of gaming technology;

30 (2) Entities engaged in the business of interactive gaming;

31 (3) Restricted gaming licensees;

32 (4) Nonrestricted gaming licensees; and

33 (5) Operators of race books and sports pools.

34 (d) The Chair of the Nevada Gaming Commission and the Chair of the State Gaming Control  
35 Board serve ex officio as nonvoting members of the committee.

36 3. The Legislative Commission shall appoint a Chair from among the voting members of the  
37 committee.

38 4. The committee shall study, without limitation:

39 (a) The impact of modern and evolving technology upon gaming and the regulation of gaming;

40 (b) Interactive gaming in Nevada and other jurisdictions, and any proposed or enacted federal  
41 legislation in this area;

42 (c) The regulatory distinction between restricted and nonrestricted licensure, and the impact of  
43 technology upon this distinction;

44 (d) The determination of whether the operation of slot machines is incidental to the primary  
45 business of a restricted gaming licensee, and minimum requirements that are or should be imposed  
46 upon such businesses;

47 (e) The effect of expanding capability of personal and portable electronic devices upon gaming  
48 and the regulation of gaming;

49 (f) The potential effects and consequences of authorizing the acceptance of race book and sports  
50 pool wagers made by an entity; and

51 (g) The effect of legislation approved by the 77th Session of the Nevada Legislature with regard  
52 to gaming and the regulation of gaming.

53 6. The Legislative Commission shall submit a report of the findings of the committee,  
54 including, without limitation, any recommendations for legislation, to the 78th Session of the  
55 Nevada Legislature.

56 7. For each day or portion of a day during which a member of the committee who is a  
57 Legislator attends a meeting of the committee or is otherwise engaged in the business of the  
58 committee, the Legislator is entitled to receive the:

59 (a) Compensation provided for a majority of the members of the Legislature during the first 60  
60 days of the preceding regular session;

61 (b) Per diem allowance provided for state officers generally; and

62 (c) Travel expenses provided pursuant to NRS 218A.655.

1 **↳ The compensation, per diem allowances and travel expenses of the members of the committee**  
2 **who are Legislators must be paid from the Legislative Fund.**

3 **Sec. 6.** 1. The amendatory provisions of section 4 of this act **do not** apply to any **establishment**  
4 **for which a restricted** license to operate 15 or fewer slot machines ~~granted on or after~~ **was issued**  
5 **before** January 1, 2014.

6 2. The amendatory provisions of sections 2, 3, and 5 of this act apply to all race books, sports pools  
7 and associated equipment in existence on January 1, 2014.

8 **Sec. 7. 1.** This **section and sections 1 to 1.9, inclusive, 2.3, 2.7 and 5.1 to 5.9, inclusive, of this**  
9 **act become effective upon passage and approval.**

10 **2. Sections 2, 3, 4, 5 and 6 of this** act ~~becomes~~ **become** effective on January 1, 2014.

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