

Amendment No. 420

Senate Amendment to Senate Bill No. 379	(BDR 41-1016)
Proposed by: Senate Committee on Judiciary	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 379 (§ 3.5).
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ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of **green bold underlining** is language proposed to be added 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 proposed to be retained in this amendment.

SJQ/BAW



Date: 4/22/2023

S.B. No. 379—Revises provisions relating to gaming. (BDR 41-1016)



SENATE BILL NO. 379—SENATORS DONDERO LOOP
AND CANNIZZARO

MARCH 27, 2023

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to gaming. (BDR 41-1016)

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

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

AN ACT relating to gaming; requiring the Nevada Gaming Commission to adopt regulations ~~providing for the operation and~~ **requiring the** registration of ~~secondary~~ sports ~~pool~~ wagering **ticket** brokers; prohibiting a person from operating as a ~~secondary~~ sports ~~pool~~ wagering **ticket** broker without obtaining a registration; **revising the definition of “associated equipment” to include certain computerized systems used by sports wagering ticket brokers;** requiring the Commission to adopt regulations specifying certain requirements concerning gaming employees; revising requirements relating to the filing of certain information concerning foreign gaming with the Nevada Gaming Control Board; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Nevada Gaming Commission and the Nevada Gaming Control Board to administer state gaming licenses and manufacturer’s, seller’s and distributor’s licenses and to perform various acts relating to the regulation and control of gaming. (NRS 463.140) ~~Existing law provides that it is unlawful for a person to perform certain actions relating to gaming, including, without limitation, operating a race book or sports pool, without having first procured, and thereafter maintaining, all required gaming licenses or registrations. (NRS 463.160) Section 3.5 of this bill requires the Commission to adopt regulations providing for the operation and requiring the registration of secondary sports pool wagering ticket brokers, which is defined in section and setting forth requirements for the operation of sports wagering ticket brokers. Section 2 of this bill defines “sports wagering ticket broker” to mean, in general, a person who, for any form of compensation, fee or other remuneration, facilitates the sale from one person to another of an existing and transfer of an active sports wager, originally placed with a person who operates a sports pool. Section 3 requires 1.5 of this bill defines “active sports wager” to mean a wager on a sporting event or other event whose outcome has not yet been determined. Section 3.5 authorizes the regulations adopted by the Commission to, without limitation: (1) require a secondary each sports pool wagering ticket broker and certain persons associated with a sports wagering ticket broker to be registered with the Board; (2) require each employee of a secondary sports pool wagering broker to register with the Board in the same manner as a gaming employee; (3) establish fees associated with such~~

registrations; ~~and (4)~~ (3) set forth requirements ~~{for the operation of a secondary}~~ **concerning the method and manner by which a sports ~~pool~~ wagering ticket broker ~~is~~ must facilitate sales and transfers of active sports wagers; (4) require a sports wagering ticket broker to adopt certain procedures and maintain certain records; and (5) set forth certain other requirements and restrictions concerning the registration and operation of sports wagering ticket brokers. Section ~~{6 of this bill makes it unlawful for}~~ 3.5 prohibits a person ~~{to operate}~~ **from operating** as a ~~{secondary}~~ sports ~~pool~~ wagering ticket broker ~~{without first procuring, and thereafter maintaining, the required registration.}~~ **unless the person is registered pursuant to the regulations adopted pursuant to section 3.5 and meets any other requirements set forth in those regulations.** Section 5 of this bill makes a conforming change to ~~{indicate the proper placement of section}~~ **apply the definitions set forth in sections 1.5 and 2 ~~{in the Nevada Revised Statutes.}~~ to the statutes governing gaming.****

Existing law defines “associated equipment” to mean, in general, any equipment or certain contrivances, components or machines used remotely or directly in connection with gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device. (NRS 463.0136) Section 5.5 of this bill revises the definition of associated equipment to include certain computerized systems used by a sports wagering ticket broker, thereby making those computerized systems subject to the same regulation and control as associated equipment.

Existing law prohibits: (1) accepting, receiving or allowing another person to accept or receive a wager from a person physically present in this State; and (2) placing, sending, transmitting or relaying a wager to another person from within or outside this State under certain circumstances. (NRS 465.092, 465.093) Section 8 of this bill provides **that those prohibitions do not apply to the operations of a sports wagering ticket broker.**

Existing law prohibits a person from being employed as a gaming employee unless the person is registered with the Board. (NRS 463.335) Existing law defines “gaming employee” to include certain specified persons including, without limitation, employees whose duties are directly involved with the manufacture, repair, sale or distribution of gaming devices, certain associated equipment, cashless wagering systems or interactive gaming systems. (NRS 463.0157) Section 4 of this bill requires the Commission to adopt regulations specifying the duties relating to the manufacture or repair of gaming devices, associated equipment, cashless wagering systems or interactive gaming systems that an employee must have for the employee to constitute a gaming employee.

Existing law requires a licensee who participates in foreign gaming to file ~~{periodically}~~ certain documents ~~{reports and other information}~~ with the Board ~~{as soon as participation in foreign gaming begins and thereafter file annual and quarterly reports containing certain information concerning the foreign gaming operation.}~~ (NRS 463.710) Section 7 of this bill ~~{exempts a foreign gaming manufacturer from}~~ **revises** those filing requirements ~~{and instead requires a foreign gaming manufacturer to file with the Board}~~ **to: (1) require a notice to be filed when participation in foreign gaming begins and terminates; (2) eliminate the requirement to file certain annual reports ~~{}~~; and (3) revise the content that is required to be included in the required quarterly reports ~~{and other information required by the Commission. Section 7 defines “foreign gaming manufacturer” to mean, in general, a licensee whose participation in foreign gaming is limited to receiving recurring gaming revenue from the placement of a gaming device outside this State.}~~**

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 463 of NRS is hereby amended by adding thereto the provisions set forth as sections ~~{2, 3 and}~~ **1.5 to 4, inclusive**, of this act.

Sec. 1.5. ***“Active sports wager” means a wager on a sporting event or other event whose outcome has not yet been determined.***

Sec. 2. ~~“Secondary sports pool~~

1 1. “Sports wagering ticket broker” means a person who, for ~~for~~ any form of
2 compensation, fee, or other remuneration facilitates the sale ~~from one person to~~
3 ~~another,~~ and transfer of an ~~existing~~ active sports wager between a seller, who
4 may be the person who originally placed ~~with a person who operates~~ the wager,
5 and a buyer.

6 2. The term does not include a person licensed to operate and maintain a
7 sports pool.

8 ~~Sec. 3. 1. The Commission shall, with the advice and assistance of the~~
9 ~~Board, provide by regulation for the operation and registration of secondary~~
10 ~~sports pool wagering brokers.~~

11 ~~2. The regulations adopted pursuant to subsection 1 must:~~

12 ~~(a) Require a secondary sports pool wagering broker to be registered with the~~
13 ~~Board.~~

14 ~~(b) Require each employee of a secondary sports pool wagering broker to~~
15 ~~register with the Board, and renew such a registration, in the same manner as a~~
16 ~~gaming employee.~~

17 ~~(c) Prescribe the period for which a registration as a secondary sports pool~~
18 ~~wagering broker is valid.~~

19 ~~(d) Establish fees for the application and renewal of a registration as a~~
20 ~~secondary sports pool wagering broker.~~

21 ~~(e) Establish fees for the application and renewal of a registration of an~~
22 ~~employee of a secondary sports pool wagering broker, which may not exceed the~~
23 ~~fees for the application and renewal of a registration as a gaming employee.~~

24 ~~(f) Set forth requirements for the operation of a secondary sports pool~~
25 ~~wagering broker.~~

26 ~~(g) Address such other matters as the Commission deems necessary to carry~~
27 ~~out the provisions of this section and which are consistent with the public policy~~
28 ~~of the State pursuant to NRS 463.0120.~~

29 ~~3. Except as otherwise provided by specific statute or by the regulations~~
30 ~~adopted pursuant to this section, an employee of a secondary sports pool~~
31 ~~wagering broker shall be deemed to be a gaming employee for the purposes of all~~
32 ~~provisions of this chapter and the regulations adopted pursuant thereto that apply~~
33 ~~to a gaming employee.~~

34 ~~4. In addition to the registration required pursuant to subsection 2, the~~
35 ~~Commission, upon recommendation of the Board, may require an owner,~~
36 ~~operator or employee of a secondary sports pool wagering broker or any person~~
37 ~~who has significant involvement with the activities of a secondary sports pool~~
38 ~~wagering broker to file an application for a finding of suitability.~~

39 ~~5. If an application for a finding of suitability is not submitted to the Board~~
40 ~~within 30 days after the Commission so requests, the Commission may pursue~~
41 ~~any remedy or combination of remedies provided in this chapter. } (Deleted by~~
42 ~~amendment.)~~

43 Sec. 3.5. 1. A person shall not operate as a sports wagering ticket broker
44 unless the person is registered pursuant to the regulations adopted pursuant to
45 this section and meets any other requirements set forth in those regulations.

46 2. The Commission shall, with the advice and assistance of the Board, adopt
47 regulations requiring the registration of sports wagering ticket brokers and
48 setting forth requirements for the operation of sports wagering ticket brokers.

49 3. The regulations adopted pursuant to subsection 2 may, without
50 limitation:

51 (a) Require each sports wagering ticket broker, each holding company or
52 intermediary company of a sports wagering ticket broker and each owner, officer,
53 member, manager, partner, trustee, beneficiary and key employee of a sports

1 wagering ticket broker or holding company or intermediary company of a sports
2 wagering ticket broker to be registered with the Board and to submit to the
3 Board's jurisdiction;

4 (b) Require any person described in paragraph (a) to file an application for a
5 finding of suitability;

6 (c) Establish fees for the issuance and renewal of a registration required
7 pursuant to this section, including, without limitation, any application fee and
8 any fee for the investigation of an applicant;

9 (d) Prescribe the period in which a registration required pursuant to this
10 section is valid;

11 (e) Set forth requirements concerning the manner and method by which a
12 sports wagering ticket broker must facilitate the sale and transfer of an active
13 sports wager;

14 (f) Require a sports wagering ticket broker to adopt procedures setting forth
15 the method and manner by which the sports wagering ticket broker will:

16 (1) Prevent transactions with any person who has been placed on the list
17 of persons to be excluded or ejected from any licensed gaming establishment
18 pursuant to NRS 463.151;

19 (2) Detect and prevent transactions that may be associated with money
20 laundering, fraud and other criminal activities; and

21 (3) Ensure that the sports wagering ticket broker complies with all
22 applicable requirements set forth in state and federal law, including, without
23 limitation, requirements pertaining to the identification and verification of the
24 identity and age of a customer, geolocation, the placement of a wager for the
25 benefit of another and any other applicable requirements and restrictions;

26 (g) Require a sports wagering ticket broker to maintain records of all
27 transactions involving the sale and transfer of active sports wagers facilitated by
28 the sports wagering ticket broker for a prescribed period of time;

29 (h) Require a sports wagering ticket broker to deposit with the Board and
30 thereafter maintain a refundable revolving fund in an amount determined by the
31 Chair of the Board to pay the expenses of any investigation by the Board into the
32 activities of the sports wagering ticket broker; and

33 (i) Set forth any other requirements for the registration and operation of
34 sports wagering ticket brokers that the Commission deems necessary.

35 4. A sports wagering ticket broker does not become a party to an active
36 sports wager merely by facilitating the sale and transfer of that active sports
37 wager from a seller to a buyer.

38 5. Any dispute involving the sale or transfer of an active sports wager,
39 regardless of whether a sports wagering ticket broker is directly or indirectly
40 involved in the dispute, must be resolved pursuant to NRS 463.362 to 463.3668,
41 inclusive. A sports wagering ticket broker is subject to the provisions of NRS
42 463.362 to 463.3668, inclusive, in the same manner as a licensee.

43 6. The Chair of the Board may require a sports wagering ticket broker, a
44 holding company or intermediary company of a sports wagering ticket broker or
45 an owner, officer, member, manager, partner, trustee, beneficiary or key
46 employee of a sports wagering ticket broker or a holding company or
47 intermediary company of a sports wagering ticket broker to register with the
48 Board or file an application for a finding of suitability to be associated with a
49 race book or sports pool operation.

50 7. A computerized system used by a sports wagering ticket broker to
51 facilitate the sale and transfer of an active sports wager must not communicate
52 directly with any computerized system of betting used by a sports pool except for
53 the purposes of:

(a) Substituting the identity of the buyer of the active sports wager for the identity of the seller on the betting ticket for the active sports wager; or

(b) Issuing a substitute betting ticket for the active sports wager with the buyer of the active sports wager identified as the bettor.

Sec. 4. *The Commission shall adopt regulations specifying the duties relating to the manufacture or repair of gaming devices, associated equipment, cashless wagering systems or interactive gaming systems that an employee must have for that employee to constitute a gaming employee pursuant to paragraph (j) of subsection 1 of NRS 463.0157.*

Sec. 5. NRS 463.013 is hereby amended to read as follows:

463.013 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 463.0133 to 463.01967, inclusive, ~~and [section]~~ sections 1.5 and 2 of this act have the meanings ascribed to them in those sections.

Sec. 5.5. NRS 463.0136 is hereby amended to read as follows:

463.0136 "Associated equipment" means any equipment or mechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, inter-casino linked systems, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines, computerized systems used by a sports wagering ticket broker to facilitate the sale and transfer of an active sports wager which communicate directly with a computerized system of betting at a sports pool and devices for weighing or counting money.

Sec. 6. ~~[NRS 463.160 is hereby amended to read as follows:~~

~~463.160 1. Except as otherwise provided in subsection 3 and NRS 462.155 and 463.172, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others:~~

~~(a) To deal, operate, carry on, conduct, maintain or expose for play in the State of Nevada any gambling game, gaming device, slot machine, race book or sports pool;~~

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

~~(c) To operate a gaming salon;~~

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

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

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

~~(g) To operate as a secondary sports pool wagering broker,~~

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

~~2. Except as otherwise provided in subsection 3, it is unlawful for any person knowingly to permit any gambling game, slot machine, gaming device, 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.~~

~~3. 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.~~

~~4. For the purposes of this section, the operation of a race book or sports pool includes:~~

~~(a) Includes making the premises available for any of the following purposes:~~

~~[(a)] (1) Allowing patrons to establish an account for wagering with the race book or sports pool;~~

~~[(b)] (2) Accepting wagers from patrons;~~

~~[(c)] (3) Allowing patrons to place wagers;~~

~~[(d)] (4) Paying winning wagers to patrons; or~~

~~[(e)] (5) 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.~~

~~(b) Does not include operating as a secondary sports pool wagering broker.~~

~~5. A separate license must be obtained for each location at which [such an] the operation of a race book or sports pool is conducted. (Deleted by amendment.)~~

Sec. 7. NRS 463.710 is hereby amended to read as follows:

463.710 *1.* Unless otherwise ordered by the Board or Commission, a licensee who participates in foreign gaming ~~[, other than a foreign gaming manufacturer,]~~ shall file with the Board:

1. ~~[(a)]~~ As soon as participation in foreign gaming begins, [all documents filed by the licensee or by an affiliate with the foreign jurisdiction,] a notice indicating that fact.

2. ~~[(b)]~~ Annual operational and regulatory reports describing compliance with regulations, procedures for audit, and procedures for surveillance relating to the foreign gaming operation.

~~3. ~~[(c)]~~ Quarterly reports regarding any of the following information which is within the knowledge of the licensee:~~

~~(a) ~~[(1)]~~ Any changes in ownership or control of any interest in the foreign gaming operation;~~

~~(b) ~~[(2)]~~ Any changes in officers, directors or key employees; [of the foreign gaming operation;]~~

~~(c) ~~[(3)]~~ All complaints, disputes, orders to show cause and disciplinary actions, related to gaming, instituted or presided over by an entity of the United States, a state or any other governmental jurisdiction [concerning the foreign gaming operation,] outside of this State;~~

~~(d) ~~[(4)]~~ Any arrest of an employee [of the foreign gaming operation] involving cheating or theft, related to gaming, in the foreign jurisdiction; and~~

~~(e) ~~[(5)]~~ Any arrest or conviction of an officer, director, key employee or owner of equity in the foreign gaming operation for an offense that would constitute a gross misdemeanor or felony in this state.~~

3. ~~As soon as participation in foreign gaming has entirely ceased, a notice indicating that fact.~~

4. ~~[(b)]~~ Such other information as the Commission requires by regulation.

~~2. Unless otherwise ordered by the Board or Commission, a foreign gaming manufacturer shall file with the Board:~~

~~(a) An annual report that sets forth a list of the location of each gaming device from which the foreign gaming manufacturer receives recurring gaming revenue.~~

~~(b) Quarterly reports regarding all complaints, disputes, orders to show cause and disciplinary actions in which the amount of any penalty imposed was~~

~~§10,000 or more, which are related to gaming and instituted or presided over by an entity of the United States, a state or any governmental jurisdiction concerning the foreign gaming operation.~~

~~(c) Such other information as the Commission requires by regulation.~~

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

~~(a) "Foreign gaming manufacturer" means a licensee whose participation in foreign gaming is limited to receiving recurring gaming revenue from the placement of a gaming device outside this State.~~

~~(b) "Recurring gaming revenue" means compensation received from the placement of a gaming device outside this State that is calculated as a percentage of the winnings or revenue of the gaming device. The term does not include any money received from:~~

~~(1) The sale of a gaming device in which absolute title to the gaming device passes from the seller to the buyer.~~

~~(2) The lease of a gaming device that is not calculated as a percentage of the winnings or revenue of the gaming device.~~

Sec. 8. NRS 465.094 is hereby amended to read as follows:

465.094 The provisions of NRS 465.092 and 465.093 do not apply to global risk management pursuant to NRS 463.810 and 463.820, to the operations of a sports wagering ticket broker registered pursuant to the regulations adopted pursuant to section 3.5 of this act or to a wager placed by a person for the person's own benefit or, without compensation, for the benefit of another that is accepted or received by, placed with, or sent, transmitted or relayed to:

1. A race book or sports pool that is licensed pursuant to chapter 463 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering;

2. A person who is licensed to engage in off-track pari-mutuel wagering pursuant to chapter 464 of NRS, if the wager is accepted or received within this State and otherwise complies with subsection 3 of NRS 464.020 and all other applicable laws and regulations concerning wagering;

3. Any other person or establishment that is licensed to engage in wagering pursuant to title 41 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering; or

4. Any other person or establishment that is licensed to engage in wagering in another jurisdiction and is permitted to accept or receive a wager from patrons within this State under an agreement entered into by the Governor pursuant to NRS 463.747.