

SENATE BILL NO. 379—SENATORS DONDERO LOOP,
CANNIZZARO AND SCHEIBLE

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 requiring the registration of sports wagering ticket brokers; prohibiting a person from operating as a sports 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:

1 Existing law requires the Nevada Gaming Commission and the Nevada Gaming
2 Control Board to administer state gaming licenses and manufacturer’s, seller’s and
3 distributor’s licenses and to perform various acts relating to the regulation and
4 control of gaming. (NRS 463.140) **Section 3.5** of this bill requires the Commission
5 to adopt regulations requiring the registration of sports wagering ticket brokers and
6 setting forth requirements for the operation of sports wagering ticket brokers.
7 **Section 2** of this bill defines “sports wagering ticket broker” to mean, in general, a
8 person who, for any form of compensation, fee or other remuneration, facilitates the
9 sale and transfer of an active sports wager. **Section 1.5** of this bill defines “active
10 sports wager” to mean a wager on a sporting event or other event whose outcome
11 has not yet been determined. **Section 3.5** authorizes the regulations adopted by the
12 Commission to, without limitation: (1) require each sports wagering ticket broker
13 and certain persons associated with a sports wagering ticket broker to be registered



14 with the Board; (2) establish fees associated with such registrations; (3) set forth
15 requirements concerning the method and manner by which a sports wagering ticket
16 broker must facilitate sales and transfers of active sports wagers; (4) require a
17 sports wagering ticket broker to adopt certain procedures and maintain certain
18 records; and (5) set forth certain other requirements and restrictions concerning the
19 registration and operation of sports wagering ticket brokers. **Section 3.5** prohibits a
20 person from operating as a sports wagering ticket broker unless the person is
21 registered pursuant to the regulations adopted pursuant to **section 3.5** and meets any
22 other requirements set forth in those regulations. **Section 5** of this bill makes a
23 conforming change to apply the definitions set forth in **sections 1.5 and 2** to the
24 statutes governing gaming.

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

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

39 Existing law prohibits a person from being employed as a gaming employee
40 unless the person is registered with the Board. (NRS 463.335) Existing law defines
41 "gaming employee" to include certain specified persons including, without
42 limitation, employees whose duties are directly involved with the manufacture,
43 repair, sale or distribution of gaming devices, certain associated equipment,
44 cashless wagering systems or interactive gaming systems. (NRS 463.0157) **Section**
45 **4** of this bill requires the Commission to adopt regulations specifying the duties
46 relating to the manufacture or repair of gaming devices, associated equipment,
47 cashless wagering systems or interactive gaming systems that an employee must
48 have for the employee to constitute a gaming employee.

49 Existing law requires a licensee who participates in foreign gaming to file
50 certain documents with the Board as soon as participation in foreign gaming begins
51 and thereafter file annual and quarterly reports containing certain information
52 concerning the foreign gaming operation. (NRS 463.710) **Section 7** of this bill
53 revises those filing requirements to: (1) require a notice to be filed when
54 participation in foreign gaming begins and terminates; (2) eliminate the
55 requirement to file certain annual reports; and (3) revise the content that is required
56 to be included in the required quarterly reports.

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
2 thereto the provisions set forth as sections 1.5 to 4, inclusive, of this
3 act.

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



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

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

8 **Sec. 3. (Deleted by amendment.)**

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

13 **2. The Commission shall, with the advice and assistance of**
14 **the Board, adopt regulations requiring the registration of sports**
15 **wagering ticket brokers and setting forth requirements for the**
16 **operation of sports wagering ticket brokers.**

17 **3. The regulations adopted pursuant to subsection 2 may,**
18 **without limitation:**

19 **(a) Require each sports wagering ticket broker, each holding**
20 **company or intermediary company of a sports wagering ticket**
21 **broker and each owner, officer, member, manager, partner,**
22 **trustee, beneficiary and key employee of a sports wagering ticket**
23 **broker or holding company or intermediary company of a sports**
24 **wagering ticket broker to be registered with the Board and to**
25 **submit to the Board’s jurisdiction;**

26 **(b) Require any person described in paragraph (a) to file an**
27 **application for a finding of suitability;**

28 **(c) Establish fees for the issuance and renewal of a**
29 **registration required pursuant to this section, including, without**
30 **limitation, any application fee and any fee for the investigation of**
31 **an applicant;**

32 **(d) Prescribe the period in which a registration required**
33 **pursuant to this section is valid;**

34 **(e) Set forth requirements concerning the manner and method**
35 **by which a sports wagering ticket broker must facilitate the sale**
36 **and transfer of an active sports wager;**

37 **(f) Require a sports wagering ticket broker to adopt procedures**
38 **setting forth the method and manner by which the sports wagering**
39 **ticket broker will:**

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

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



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

7 (g) *Require a sports wagering ticket broker to maintain*
8 *records of all transactions involving the sale and transfer of active*
9 *sports wagers facilitated by the sports wagering ticket broker for a*
10 *prescribed period of time;*

11 (h) *Require a sports wagering ticket broker to deposit with the*
12 *Board and thereafter maintain a refundable revolving fund in an*
13 *amount determined by the Chair of the Board to pay the expenses*
14 *of any investigation by the Board into the activities of the sports*
15 *wagering ticket broker; and*

16 (i) *Set forth any other requirements for the registration and*
17 *operation of sports wagering ticket brokers that the Commission*
18 *deems necessary.*

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

22 5. *Any dispute involving the sale or transfer of an active*
23 *sports wager, regardless of whether a sports wagering ticket*
24 *broker is directly or indirectly involved in the dispute, must be*
25 *resolved pursuant to NRS 463.362 to 463.3668, inclusive. A sports*
26 *wagering ticket broker is subject to the provisions of NRS 463.362*
27 *to 463.3668, inclusive, in the same manner as a licensee.*

28 6. *The Chair of the Board may require a sports wagering*
29 *ticket broker, a holding company or intermediary company of a*
30 *sports wagering ticket broker or an owner, officer, member,*
31 *manager, partner, trustee, beneficiary or key employee of a sports*
32 *wagering ticket broker or a holding company or intermediary*
33 *company of a sports wagering ticket broker to register with the*
34 *Board or file an application for a finding of suitability to be*
35 *associated with a race book or sports pool operation.*

36 7. *A computerized system used by a sports wagering ticket*
37 *broker to facilitate the sale and transfer of an active sports wager*
38 *must not communicate directly with any computerized system of*
39 *betting used by a sports pool except for the purposes of:*

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

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



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

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

8 463.013 As used in this chapter, unless the context otherwise
9 requires, the words and terms defined in NRS 463.0133 to
10 463.01967, inclusive, *and sections 1.5 and 2 of this act* have the
11 meanings ascribed to them in those sections.

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

13 463.0136 “Associated equipment” means any equipment or
14 mechanical or electronic contrivance, component or machine used
15 remotely or directly in connection with gaming, any game, race
16 book or sports pool that would not otherwise be classified as a
17 gaming device, including dice, playing cards, links which connect to
18 progressive slot machines, inter-casino linked systems, equipment
19 which affects the proper reporting of gross revenue, computerized
20 systems of betting at a race book or sports pool, computerized
21 systems for monitoring slot machines , *computerized systems used*
22 *by a sports wagering ticket broker to facilitate the sale and*
23 *transfer of an active sports wager which communicate directly*
24 *with a computerized system of betting at a sports pool* and devices
25 for weighing or counting money.

26 **Sec. 6.** (Deleted by amendment.)

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

28 463.710 Unless otherwise ordered by the Board or
29 Commission, a licensee who participates in foreign gaming [~~other~~
30 ~~than a foreign gaming manufacturer,~~] shall file with the Board:

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

34 2. ~~[Annual operational and regulatory reports describing~~
35 ~~compliance with regulations, procedures for audit, and procedures~~
36 ~~for surveillance relating to the foreign gaming operation.~~

37 ~~—3.]~~ Quarterly reports regarding any of the following
38 information which is within the knowledge of the licensee:

39 (a) Any changes in ownership or control of any interest in the
40 foreign gaming operation;

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

43 (c) All complaints, disputes, orders to show cause and
44 disciplinary actions, related to gaming, instituted or presided over by
45 an entity of the United States, a state or any other governmental



1 jurisdiction ~~[concerning the foreign gaming operation;]~~ *outside of*
2 *this State;*

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

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

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

12 4. Such other information as the Commission requires by
13 regulation.

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

15 465.094 The provisions of NRS 465.092 and 465.093 do not
16 apply to global risk management pursuant to NRS 463.810 and
17 463.820 , *to the operations of a sports wagering ticket broker*
18 *registered pursuant to the regulations adopted pursuant to section*
19 *3.5 of this act* or to a wager placed by a person for the person's own
20 benefit or, without compensation, for the benefit of another that is
21 accepted or received by, placed with, or sent, transmitted or relayed
22 to:

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

27 2. A person who is licensed to engage in off-track pari-mutuel
28 wagering pursuant to chapter 464 of NRS, if the wager is accepted
29 or received within this State and otherwise complies with subsection
30 3 of NRS 464.020 and all other applicable laws and regulations
31 concerning wagering;

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

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

