

SENATE BILL NO. 46—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE NEVADA GAMING CONTROL BOARD)

PREFILED NOVEMBER 19, 2024

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing gaming. (BDR 41-298)

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

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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; retaining the jurisdiction of the Nevada Gaming Control Board and the Nevada Gaming Commission under certain circumstances; revising the definition of “hearing examiner”; revising certain provisions governing investigative hearings and judicial review related to the licensing and control of gaming; authorizing the Board and Commission to require a finding of suitability or the licensing of any person who conducts a tournament or contest on behalf of or in conjunction with a gaming licensee; revising provisions governing the voluntary surrender of a gaming license; revising the fines for certain violations relating to the licensing and control of gaming; revising provisions governing the judicial review of decisions by the Commission; revising provisions relating to the resolution of certain claims by patrons regarding gaming debts; repealing provisions governing the registration or licensing of persons conducting certain tournaments or contests in association with a gaming licensee; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law requires the Nevada Gaming Control Board to make investigations
2 and initiate a hearing by filing a complaint with the Nevada Gaming Commission if
3 the Board is satisfied that a person or entity which is licensed, registered, found



4 suitable or found preliminarily suitable or which previously obtained approval for
5 an activity for which Commission approval was required or permitted should be
6 limited, conditioned, suspended, revoked or fined. (NRS 463.310) **Section 1** of this
7 bill retains the jurisdiction of the Board and the Commission after a person who is
8 licensed, registered, found suitable or preliminarily found suitable is no longer
9 engaged in the activity or position for which Commission approval was required.
10 **Section 1** also provides that the surrender or attempted surrender of a license,
11 registration, finding of suitability or preliminary finding of suitability is not
12 effective until accepted by the Board in the manner prescribed by the Chair of the
13 Board.

14 Existing law defines the term "hearing examiner" to include any person
15 authorized by the Board or the Commission to conduct investigative hearings.
16 (NRS 463.0163) **Section 2** of this bill revises the definition of the term "hearing
17 examiner" to specify that such an examiner includes a person authorized by the
18 Chair of the Board or Commission. **Sections 3 and 8** of this bill make similar
19 changes to provide that a hearing examiner is a person authorized by the Chair of
20 the Board. Existing law authorizes investigative hearings to be conducted by one or
21 more members of the Board with the concurrence of a majority of the Board. (NRS
22 463.110) **Section 3** removes the necessity for the concurrence of a majority of the
23 Board.

24 Existing law authorizes the Board and Commission to require a finding of
25 suitability or the licensing of certain persons who own or perform certain acts
26 related to gaming. (NRS 463.162) **Section 4** of this bill adds persons who conduct a
27 tournament or contest on behalf of or in conjunction with a gaming licensee to the
28 list of persons for which the Board and Commission may require a finding of
29 suitability or licensing.

30 Existing law provides that a voluntary surrender of a license by a licensee does
31 not become effective until accepted in the manner prescribed by regulations
32 adopted by the Commission. (NRS 463.270) **Section 5** of this bill instead provides
33 that such a voluntary surrender does not become effective until accepted by the
34 Board in the manner prescribed by the Chair of the Board.

35 Existing law establishes fines of not less than \$25,000 and not more than
36 \$250,000 for each separate violation by certain nonrestricted licensees to report and
37 maintain records of all transactions involving cash. Additionally, existing law
38 establishes fines of not more than \$100,000 for certain violations which are the
39 subject of an initial complaint and not more than \$250,000 for each separate
40 violation which is the subject of any subsequent complaint. (NRS 463.125,
41 463.310) **Section 6** of this bill removes the separate fines for failure to maintain
42 records involving cash, and increases all fines to not more than \$500,000 for each
43 separate violation which is the subject of an initial complaint and \$1,000,000 for
44 each separate violation which is the subject of a subsequent complaint.

45 Existing law establishes a process for the judicial review of decisions by the
46 Commission, including the requirement that the Commission must prepare and file
47 the record on review. (NRS 463.316) **Section 7** of this bill: (1) requires the
48 Commission to transmit, instead of file, the record on review to the reviewing
49 court; and (2) provides that failure of the petitioner to pay the costs and fees
50 prescribed by the Commission is grounds for dismissal of the petition filed with the
51 court.

52 Existing law allows a claim by a patron of a licensee for payment of a gaming
53 debt which is not evidenced by a credit instrument and which is for less than \$500
54 to be resolved by a hearing examiner designated by the Board. (NRS 463.361)
55 **Section 8** of this bill: (1) raises the threshold for the resolution of such a claim to
56 \$1,000; and (2) provides for the designation of a hearing officer by the Chair of the
57 Board instead of the Board.



58 Existing law requires the registration or licensing of a person conducting
59 certain tournaments or contests in association with a gaming licensee. (NRS
60 463.169) **Section 9** of this bill repeals that requirement, and **section 4** instead
61 authorizes the Board and Commission to require a person conducting such
62 tournaments to acquire a finding of suitability or license.

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 a new section to read as follows:

3 *1. The jurisdiction of the Board to investigate and initiate a*
4 *hearing before the Commission pursuant to NRS 463.310, and the*
5 *jurisdiction of the Commission to conduct proceedings and impose*
6 *discipline in accordance with NRS 463.310 to 463.3145, inclusive,*
7 *is fully retained and is not divested in any circumstance where a*
8 *person licensed, registered, found suitable or preliminarily found*
9 *suitable by the Commission pursuant to this chapter or chapter*
10 *462, 464 or 466 of NRS is no longer engaged in the activity or in*
11 *the position for which Commission approval was required.*

12 *2. The surrender or attempted surrender of a license,*
13 *registration, finding of suitability or preliminary finding of*
14 *suitability is not effective until accepted by the Board in the*
15 *manner established by the Chair of the Board.*

16 **Sec. 2.** NRS 463.0163 is hereby amended to read as follows:

17 463.0163 “Hearing examiner” means a member of the Nevada
18 Gaming Control Board or Nevada Gaming Commission or other
19 person authorized by the *Chair of the* Nevada Gaming Control
20 Board or *the Chair of the* Nevada Gaming Commission to conduct
21 investigative hearings.

22 **Sec. 3.** NRS 463.110 is hereby amended to read as follows:

23 463.110 1. The Board may hold regular and special meetings
24 at such times and places as it may deem convenient, and it may hold
25 at least one regular meeting each month.

26 2. All meetings of the Board are open to the public except for
27 investigative hearings which may be conducted in private at the
28 discretion of the Board or hearing examiner.

29 3. A majority of the members constitutes a quorum of the
30 Board, and a majority of members present at any meeting
31 determines the action of the Board.

32 4. Investigative hearings may be conducted by one or more
33 members, ~~[with the concurrence of a majority of the Board,]~~ or by a
34 hearing examiner ~~[appointed]~~ *authorized* by the *Chair of the* Board,
35 without notice, at such times and places, within or without the State
36 of Nevada, as may be convenient.



1 **Sec. 4.** NRS 463.162 is hereby amended to read as follows:
2 463.162 1. Except as otherwise provided in subsections 2 and
3 3 and NRS 463.1725, it is unlawful for any person to:

4 (a) Lend, let, lease or otherwise deliver or furnish any
5 equipment of any gambling game, including any slot machine, for
6 any interest, percentage or share of the money or property played,
7 under guise of any agreement whatever, without having first
8 procured a state gaming license.

9 (b) Lend, let, lease or otherwise deliver or furnish, except by a
10 bona fide sale or capital lease, any slot machine under guise of any
11 agreement whereby any consideration is paid or is payable for the
12 right to possess or use that slot machine, whether the consideration
13 is measured by a percentage of the revenue derived from the
14 machine or by a fixed fee or otherwise, without having first
15 procured a state gaming license for the slot machine.

16 (c) Furnish services or property, real or personal, on the basis of
17 a contract, lease or license, pursuant to which that person receives
18 payments based on earnings or profits from any gambling game,
19 including any slot machine, without having first procured a state
20 gaming license.

21 2. The provisions of subsection 1 do not apply to any person:

22 (a) Whose payments are a fixed sum determined in advance on a
23 bona fide basis for the furnishing of services or property other than a
24 slot machine.

25 (b) Who furnishes services or property under a bona fide rental
26 agreement or security agreement for gaming equipment.

27 (c) That is a wholly owned subsidiary of:

28 (1) A corporation, limited partnership or limited-liability
29 company holding a state gaming license; or

30 (2) A holding company or intermediary company, or publicly
31 traded corporation, that has registered pursuant to NRS 463.585 or
32 463.635 and which has fully complied with the laws applicable to it.

33 (d) Who is licensed as a manufacturer or distributor pursuant to
34 NRS 463.650.

35 (e) Who is found suitable by the Commission to act as an
36 independent agent.

37 ➤ Receipts or rentals or charges for real property, personal property
38 or services do not lose their character as payments of a fixed sum or
39 as bona fide because of provisions in a contract, lease or license for
40 adjustments in charges, rentals or fees on account of changes in
41 taxes or assessments, escalations in the cost-of-living index,
42 expansions or improvement of facilities, or changes in services
43 supplied. Receipts of rentals or charges based on percentage
44 between a corporate licensee or a licensee who is a limited



1 partnership or limited-liability company and the entities enumerated
2 in paragraph (c) are permitted under this subsection.

3 3. The Commission may, upon the issuance of its approval or a
4 finding of suitability, exempt a holding company from the licensing
5 requirements of subsection 1.

6 4. The Board may require any person exempted by the
7 provisions of subsection 2 or paragraph (b) of subsection 1 to
8 provide such information as it may require to perform its
9 investigative duties.

10 5. The Board and the Commission may require a finding of
11 suitability or the licensing of any person who:

12 (a) Owns any interest in the premises of a licensed establishment
13 or owns any interest in real property used by a licensed
14 establishment whether the person leases the property directly to the
15 licensee or through an intermediary.

16 (b) Repairs, rebuilds or modifies any gaming device.

17 (c) Manufactures or distributes chips or gaming tokens for use in
18 this state.

19 (d) Operates a call center within this State as an agent of a
20 licensed race book or sports pool in this State in accordance with the
21 regulations adopted by the Commission.

22 (e) Has invented, has developed or owns the intellectual
23 property rights to a game for which approval by the Commission is
24 being sought or has been received in accordance with the
25 regulations adopted by the Commission.

26 *(f) Conducts a tournament or contest on behalf of or in*
27 *conjunction with a gaming licensee.*

28 6. If the Commission finds a person described in subsection 5
29 unsuitable, a licensee shall not enter into any contract or agreement
30 with that person without the prior approval of the Commission. Any
31 other agreement between the licensee and that person must be
32 terminated upon receipt of notice of the action by the Commission.
33 Any agreement between a licensee and a person described in
34 subsection 5 shall be deemed to include a provision for its
35 termination without liability on the part of the licensee upon a
36 finding by the Commission that the person is unsuitable. Failure
37 expressly to include that condition in the agreement is not a defense
38 in any action brought pursuant to this section to terminate the
39 agreement. If the application is not presented to the Board within 30
40 days after demand, the Commission may pursue any remedy or
41 combination of remedies provided in this chapter.

42 **Sec. 5.** NRS 463.270 is hereby amended to read as follows:

43 463.270 1. Subject to the power of the Commission to deny,
44 revoke, suspend, condition or limit licenses, any state license in
45 force may be renewed by the Commission for the next succeeding



1 license period upon proper application for renewal and payment of
2 state license fees and taxes as required by law and the regulations of
3 the Commission.

4 2. All state gaming licenses are subject to renewal on the first
5 day of each January and all quarterly state gaming licenses on the
6 first day of each calendar quarter thereafter.

7 3. Application for renewal must be filed with the Commission,
8 and all state license fees and taxes required by law, including,
9 without limitation, NRS 368A.200, 463.370, 463.373 to 463.3855,
10 inclusive, 463.660, 464.015 and 464.040, must be paid to the Board
11 on or before the dates respectively provided by law for each fee or
12 tax.

13 4. Application for renewal of licenses for slot machines only
14 must be made by the operators of the locations where such machines
15 are situated.

16 5. Any person failing to pay any state license fees or taxes due
17 at the times respectively provided shall pay in addition to such
18 license fees or taxes a penalty of not less than \$50 or 25 percent of
19 the amount due, whichever is the greater, but not more than \$1,000
20 if the fees or taxes are less than 10 days late and in no case in excess
21 of \$5,000. The penalty must be collected as are other charges,
22 license fees and penalties under this chapter.

23 6. Any person who operates, carries on or exposes for play any
24 gambling game, gaming device or slot machine or who
25 manufactures, sells or distributes any gaming device, equipment,
26 material or machine used in gaming after the person's license
27 becomes subject to renewal, and thereafter fails to apply for renewal
28 as provided in this section, is guilty of a misdemeanor and, in
29 addition to the penalties provided by law, is liable to the State of
30 Nevada for all license fees, taxes and penalties which would have
31 been due upon application for renewal.

32 7. If any licensee or other person fails to renew his or her
33 license as provided in this section, the Commission may order the
34 immediate closure of all his or her gaming activity until the license
35 is renewed by the payment of the necessary fees, taxes, interest and
36 any penalties. Except for a license for which fees are based on the
37 gross revenue of the licensee, failure to renew a license within 30
38 days after the date required by this chapter shall be deemed a
39 surrender of the license.

40 8. The voluntary surrender of a license by a licensee does not
41 become effective until accepted *by the Board* in the manner
42 ~~provided in the regulations of the Commission.~~ *established by the*
43 *Chair of the Board.* The surrender of a license does not relieve the
44 former licensee of any penalties, fines, fees, taxes or interest due.



1 **Sec. 6.** NRS 463.310 is hereby amended to read as follows:

2 463.310 1. The Board shall make appropriate investigations:

3 (a) To determine whether there has been any violation of this
4 chapter or chapter 368A, 462, 464, 465 or 466 of NRS or any
5 regulations adopted thereunder.

6 (b) To determine any facts, conditions, practices or matters
7 which it may deem necessary or proper to aid in the enforcement of
8 any such law or regulation.

9 (c) To aid in adopting regulations.

10 (d) To secure information as a basis for recommending
11 legislation relating to this chapter or chapter 368A, 462, 464, 465 or
12 466 of NRS.

13 (e) As directed by the Commission.

14 2. If, after any investigation the Board is satisfied that:

15 (a) A license, registration, finding of suitability, preliminary
16 finding of suitability, pari-mutuel license or prior approval by the
17 Commission of any transaction for which the approval was required
18 or permitted under the provisions of this chapter or chapter 462, 464
19 or 466 of NRS should be limited, conditioned, suspended or
20 revoked; or

21 (b) A person or entity which is licensed, registered, found
22 suitable or found preliminarily suitable pursuant to this chapter or
23 chapter 464 of NRS or which previously obtained approval for any
24 act or transaction for which Commission approval was required or
25 permitted under the provisions of this chapter or chapter 464 of NRS
26 should be fined,

27 ↪ the Board shall initiate a hearing before the Commission by filing
28 a complaint with the Commission in accordance with NRS 463.312
29 and transmit therewith a summary of evidence in its possession
30 bearing on the matter and the transcript of testimony at any
31 investigative hearing conducted by or on behalf of the Board.

32 3. Upon receipt of the complaint of the Board, the Commission
33 shall review the complaint and all matter presented in support
34 thereof, and shall conduct further proceedings in accordance with
35 NRS 463.3125 to 463.3145, inclusive.

36 4. After the provisions of subsections 1, 2 and 3 have been
37 complied with, the Commission may:

38 (a) Limit, condition, suspend or revoke the license of any
39 licensed gaming establishment or the individual license of any
40 licensee without affecting the license of the establishment;

41 (b) Limit, condition, suspend or revoke any registration, finding
42 of suitability, preliminary finding of suitability, pari-mutuel license,
43 or prior approval given or granted to any applicant by the
44 Commission;



1 (c) Order a licensed gaming establishment to keep an individual
2 licensee from the premises of the licensed gaming establishment or
3 not to pay the licensee any remuneration for services or any profits,
4 income or accruals on the investment of the licensee in the licensed
5 gaming establishment; and

6 (d) Fine each person or entity, or both, which is licensed,
7 registered, found suitable or found preliminarily suitable pursuant to
8 this chapter or chapter 464 of NRS or which previously obtained
9 approval for any act or transaction for which Commission approval
10 was required or permitted under the provisions of this chapter or
11 chapter 464 of NRS:

12 (1) Not ~~less than \$25,000 and not more than \$250,000 for~~
13 ~~each separate violation of any regulation adopted pursuant to NRS~~
14 ~~463.125 which is the subject of an initial or subsequent complaint;~~
15 ~~or~~

16 ~~— (2) Except as otherwise provided in subparagraph (1), not~~
17 ~~more than \$100,000 \$500,000 for each separate violation of the~~
18 ~~provisions of this chapter or chapter 368A, 464 or 465 of NRS or of~~
19 ~~any regulations adopted thereunder, which is the subject of an initial~~
20 ~~complaint ; and not~~

21 (2) *Not* more than ~~\$250,000~~ **\$1,000,000** for each separate
22 violation of the provisions of this chapter or chapter 368A, 464 or
23 465 of NRS or of any regulations adopted thereunder, which is the
24 subject of any subsequent complaint.

25 ↪ All fines must be paid to the State Treasurer for deposit in the
26 State General Fund.

27 5. For the second violation of any provision of chapter 465 of
28 NRS by any licensed gaming establishment or individual licensee,
29 the Commission shall revoke the license of the establishment or
30 person.

31 6. If the Commission limits, conditions, suspends or revokes
32 any license or imposes a fine, or limits, conditions, suspends or
33 revokes any registration, finding of suitability, preliminary finding
34 of suitability, pari-mutuel license or prior approval, it shall issue its
35 written order therefor after causing to be prepared and filed its
36 written decision upon which the order is based.

37 7. Any such limitation, condition, revocation, suspension or
38 fine so made is effective until reversed upon judicial review, except
39 that the Commission may stay its order pending a rehearing or
40 judicial review upon such terms and conditions as it deems proper.

41 8. Judicial review of any such order or decision of the
42 Commission may be had in accordance with NRS 463.315 to
43 463.318, inclusive.



1 **Sec. 7.** NRS 463.316 is hereby amended to read as follows:
2 463.316 1. Upon written request of petitioner and upon
3 payment of such reasonable costs and fees as the Commission may
4 prescribe, the complete record on review, or such parts thereof as
5 are designated by the petitioner, must be prepared by the
6 Commission.

- 7 2. The complete record on review must include copies of:
8 (a) All pleadings in the case;
9 (b) All notices and interim orders issued by the Commission in
10 connection with the case;
11 (c) All stipulations;
12 (d) The decision and order appealed from;
13 (e) A transcript of all testimony, evidence and proceedings at the
14 hearing;
15 (f) The exhibits admitted or rejected; and
16 (g) Any other papers in the case.

17 ↪ The original of any document may be used in lieu of a copy
18 thereof. The record on review may be shortened by stipulation of all
19 parties to the review proceedings.

20 3. The *Commission shall transmit the* record on review ~~must~~
21 ~~be filed with~~ *to* the reviewing court within 30 days after service of
22 the petition for review ~~or 5 business days after the payment of~~
23 ~~any costs and fees prescribed in subsection 1, whichever is later,~~
24 but the court may allow the Commission additional time to prepare
25 and transmit the record on review.

26 4. *Failure of the petitioner to pay the costs and fees*
27 ~~prescribed in subsection 1 in full within 30 days after service of~~
28 ~~the petition for review shall constitute grounds for dismissal of the~~
29 ~~petition.~~

30 **Sec. 8.** NRS 463.361 is hereby amended to read as follows:
31 463.361 1. Except as otherwise provided in NRS 463.361 to
32 463.366, inclusive, and 463.780, gaming debts that are not
33 evidenced by a credit instrument are void and unenforceable and do
34 not give rise to any administrative or civil cause of action.

35 2. A claim by a patron of a licensee for payment of a gaming
36 debt that is not evidenced by a credit instrument may be resolved in
37 accordance with NRS 463.362 to 463.366, inclusive:

- 38 (a) By the Board; or
39 (b) If the claim is for less than ~~[\$500,]~~ *\$1,000*, by a hearing
40 examiner designated by the *Chair of the* Board.

41 **Sec. 9.** NRS 463.169 is hereby repealed.

42 **Sec. 10.** This act becomes effective on July 1, 2025.



TEXT OF REPEALED SECTION

463.169 Registration or licensing of person conducting certain tournaments or contests in association with gaming licensee; termination of association.

1. A person shall not receive any consideration, direct or indirect, for conducting a tournament or contest on behalf of or in conjunction with a gaming licensee:

(a) Which involves a sporting event upon which wagers may be accepted or racing held at a track which uses the pari-mutuel system of wagering or gaming;

(b) In which persons pay a fee for the privilege of participating; and

(c) In which prizes are awarded to winners,

↳ unless the person has registered with the Board in the manner prescribed by the Board and supplied such information as the Commission requires or unless the person is an officer or employee of the licensee.

2. Any person who conducts a tournament or contest on behalf of or in conjunction with a gaming licensee may be required by the Commission to be licensed by it as well as registered with the Board. Any person so required must apply for a license within 30 days after the decision of the Commission requiring the person to obtain the license.

3. If any person required to be licensed pursuant to subsection 2:

(a) Does not apply for a license within 30 days after the decision of the Commission that the person must be licensed, and the Commission finds the person unsuitable for that reason; or

(b) Is denied a license,

↳ the gaming licensee with whom the person is associated shall terminate that association upon notification from the Commission by registered or certified mail of its action.



