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ASSEMBLY BILL NO. 294—ASSEMBLYMEN HORNE, ATKINSON,  
OHRENSCHALL, SEGERBLOM; AIZLEY, CARRILLO, DALY,  
DONDERO LOOP, FLORES, FRIERSON, HOGAN, MUNFORD  
AND PIERCE

MARCH 16, 2011

Referred to Committee on Judiciary

SUMMARY—Revises various provisions governing mobile gaming. (BDR 41-1042)

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.

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AN ACT relating to gaming; revising certain definitions relating to mobile gaming for the purposes of the Nevada Gaming Control Act; revising the method of paying certain fees received from the operation of mobile gaming; revising provisions relating to the location of a computer system associated with mobile gaming; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law provides that mobile gaming may only be conducted in public  
2 areas of an establishment which holds a nonrestricted gaming license. (NRS  
3 463.0176) **Section 1** of this bill authorizes mobile gaming to be conducted in any  
4 area of an establishment. **Section 2** of this bill clarifies that for purposes of  
5 regulation under the Nevada Gaming Control Act, the term “slot machine” does not  
6 include any item used for mobile gaming.  
7 Existing law provides that all revenue which is received from any game or  
8 gaming device that is operated on the premises of a licensee must be attributed to  
9 and counted as part of the gross revenue of the licensee. (NRS 463.370) **Section 3**  
10 of this bill provides that any gross revenue received through the operation of mobile  
11 gaming must be attributed to the licensed operator of the mobile gaming system  
12 instead of the licensed gaming establishment. **Section 4** of this bill clarifies that a  
13 computer system associated with mobile gaming may be located outside a licensed  
14 gaming establishment but must be located within this State.



\* A B 2 9 4 \*

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

1     **Section 1.** NRS 463.0176 is hereby amended to read as  
2 follows:

3     463.0176 “Mobile gaming” means the conduct of gambling  
4 games through communications devices operated solely in ~~[public~~  
5 ~~areas of]~~ an establishment which holds a nonrestricted gaming  
6 license and which operates at least 100 slot machines and at least  
7 one other game by the use of communications technology that  
8 allows a person to transmit information to a computer to assist in the  
9 placing of a bet or wager and corresponding information related to  
10 the display of the game, game outcomes or other similar  
11 information. For the purposes of this ~~[section:~~

12 ~~—1.—“Communications] section, “communications~~ technology”  
13 means any method used and the components employed by an  
14 establishment to facilitate the transmission of information,  
15 including, without limitation, transmission and reception by systems  
16 based on wireless network, wireless fidelity, wire, cable, radio,  
17 microwave, light, optics or computer data networks. ~~[The term does~~  
18 ~~not include the Internet.~~

19 ~~—2.—“Public areas” does not include rooms available for sleeping~~  
20 ~~or living accommodations.]~~

21     **Sec. 2.** NRS 463.0191 is hereby amended to read as follows:

22     463.0191 “Slot machine” means any mechanical, electrical or  
23 other device, contrivance or machine which, upon insertion of a  
24 coin, token or similar object, or upon payment of any consideration,  
25 is available to play or operate, the play or operation of which,  
26 whether by reason of the skill of the operator in playing a gambling  
27 game which is presented for play by the machine or application of  
28 the element of chance, or both, may deliver or entitle the person  
29 playing or operating the machine to receive cash, premiums,  
30 merchandise, tokens or any thing of value, whether the payoff is  
31 made automatically from the machine or in any other manner. *The*  
32 *term does not include any mechanical, electrical or other device,*  
33 *contrivance or machine used for mobile gaming.*

34     **Sec. 3.** NRS 463.370 is hereby amended to read as follows:

35     463.370 1. Except as otherwise provided in NRS 463.373,  
36 the Commission shall charge and collect from each licensee a  
37 license fee based upon all the gross revenue of the licensee as  
38 follows:

39     (a) Three and one-half percent of all the gross revenue of the  
40 licensee which does not exceed \$50,000 per calendar month;



1 (b) Four and one-half percent of all the gross revenue of the  
2 licensee which exceeds \$50,000 per calendar month and does not  
3 exceed \$134,000 per calendar month; and

4 (c) Six and three-quarters percent of all the gross revenue of the  
5 licensee which exceeds \$134,000 per calendar month.

6 2. Unless the licensee has been operating for less than a full  
7 calendar month, the Commission shall charge and collect the fee  
8 prescribed in subsection 1, based upon the gross revenue for the  
9 preceding calendar month, on or before the 24th day of the  
10 following month. Except for the fee based on the first full month of  
11 operation, the fee is an estimated payment of the license fee for the  
12 third month following the month whose gross revenue is used as its  
13 basis.

14 3. When a licensee has been operating for less than a full  
15 calendar month, the Commission shall charge and collect the fee  
16 prescribed in subsection 1, based on the gross revenue received  
17 during that month, on or before the 24th day of the following  
18 calendar month of operation. After the first full calendar month of  
19 operation, the Commission shall charge and collect the fee based on  
20 the gross revenue received during that month, on or before the 24th  
21 day of the following calendar month. The payment of the fee due for  
22 the first full calendar month of operation must be accompanied by  
23 the payment of a fee equal to three times the fee for the first full  
24 calendar month. This additional amount is an estimated payment of  
25 the license fees for the next 3 calendar months. Thereafter, each  
26 license fee must be paid in the manner described in subsection 2.  
27 Any deposit held by the Commission on July 1, 1969, must be  
28 treated as an advance estimated payment.

29 4. ~~[A]]~~ *Except as otherwise provided in subsection 5, all*  
30 revenue received from any game or gaming device which is  
31 operated on the premises of a licensee, regardless of whether any  
32 portion of the revenue is shared with any other person, must be  
33 attributed to the licensee for the purposes of this section and counted  
34 as part of the gross revenue of the licensee. Any other person,  
35 including, without limitation, an operator of an inter-casino linked  
36 system, who is authorized to receive a share of the revenue from any  
37 game, gaming device or inter-casino linked system that is operated  
38 on the premises of a licensee is liable to the licensee for that  
39 person's proportionate share of the license fees paid by the licensee  
40 pursuant to this section and shall remit or credit the full  
41 proportionate share to the licensee on or before the 24th day of each  
42 calendar month. The proportionate share of an operator of an inter-  
43 casino linked system must be based on all compensation and other  
44 consideration received by the operator of the inter-casino linked  
45 system, including, without limitation, amounts that accrue to the



1 meter of the primary progressive jackpot of the inter-casino linked  
2 system and amounts that fund the reserves of such a jackpot, subject  
3 to all appropriate adjustments for deductions, credits, offsets and  
4 exclusions that the licensee is entitled to take or receive pursuant to  
5 the provisions of this chapter. A licensee is not liable to any other  
6 person authorized to receive a share of the licensee's revenue from  
7 any game, gaming device or inter-casino linked system that is  
8 operated on the premises of the licensee for that person's  
9 proportionate share of the license fees to be remitted or credited to  
10 the licensee by that person pursuant to this section.

11 *5. An operator of a mobile gaming system that receives gross*  
12 *revenue from the operation of a mobile gaming system on the*  
13 *premises of a licensed gaming establishment shall count such*  
14 *revenue as part of the operator's gross revenue, and such gross*  
15 *revenue must not be attributed to the licensed gaming*  
16 *establishment for the purposes of this section or counted as part of*  
17 *the gross revenue of the licensed gaming establishment. A licensed*  
18 *gaming establishment that operates a mobile gaming system on*  
19 *the premises shall count such gross revenue as part of the licensed*  
20 *gaming establishment's gross revenue for the purposes of this*  
21 *section, and such gross revenue must not be attributed to the*  
22 *manufacturer of the mobile gaming system for the purposes of this*  
23 *section or counted as part of the gross revenue of the*  
24 *manufacturer of the mobile gaming system.*

25 *6. A person who operates a mobile gaming system and a*  
26 *sports pool or race book at the establishment of another*  
27 *nonrestricted licensee pursuant to subsection 3 of NRS 463.245*  
28 *may combine, on a single form approved by the Board, the*  
29 *payment of license fees due pursuant to this section for all of those*  
30 *operations.*

31 *7. An operator of an inter-casino linked system shall not enter*  
32 *into any agreement or arrangement with a licensee that provides for*  
33 *the operator of the inter-casino linked system to be liable to the*  
34 *licensee for less than its full proportionate share of the license fees*  
35 *paid by the licensee pursuant to this section, whether accomplished*  
36 *through a rebate, refund, charge-back or otherwise.*

37 ~~6.7~~ *8. Any person required to pay a fee pursuant to this*  
38 *section shall file with the Commission, on or before the 24th day of*  
39 *each calendar month, a report showing the amount of all gross*  
40 *revenue received during the preceding calendar month. Each report*  
41 *must be accompanied by:*

42 (a) The fee due based on the revenue of the month covered by  
43 the report; and

44 (b) An adjustment for the difference between the estimated fee  
45 previously paid for the month covered by the report, if any, and the



1 fee due for the actual gross revenue earned in that month. If the  
2 adjustment is less than zero, a credit must be applied to the  
3 estimated fee due with that report.

4 ~~[7.]~~ 9. If the amount of license fees required to be reported and  
5 paid pursuant to this section is later determined to be greater or less  
6 than the amount actually reported and paid, the Commission shall:

7 (a) Charge and collect the additional license fees determined to  
8 be due, with interest thereon until paid; or

9 (b) Refund any overpayment to the person entitled thereto  
10 pursuant to this chapter, with interest thereon.

11 ➤ Interest pursuant to paragraph (a) must be computed at the rate  
12 prescribed in NRS 17.130 from the first day of the first month  
13 following the due date of the additional license fees until paid.  
14 Interest pursuant to paragraph (b) must be computed at one-half the  
15 rate prescribed in NRS 17.130 from the first day of the first month  
16 following the date of overpayment until paid.

17 ~~[8.]~~ 10. Failure to pay the fees provided for in this section  
18 shall be deemed a surrender of the license at the expiration of the  
19 period for which the estimated payment of fees has been made, as  
20 established in subsection 2.

21 ~~[9.]~~ 11. Except as otherwise provided in NRS 463.386, the  
22 amount of the fee prescribed in subsection 1 must not be prorated.

23 ~~[10.]~~ 12. Except as otherwise provided in NRS 463.386, if a  
24 licensee ceases operation, the Commission shall:

25 (a) Charge and collect the additional license fees determined to  
26 be due with interest computed pursuant to paragraph (a) of  
27 subsection ~~[7.]~~ 9; or

28 (b) Refund any overpayment to the licensee with interest  
29 computed pursuant to paragraph (b) of subsection ~~[7.]~~ 9,

30 ➤ based upon the gross revenue of the licensee during the last 3  
31 months immediately preceding the cessation of operation, or  
32 portions of those last 3 months.

33 ~~[11.]~~ 13. If in any month, the amount of gross revenue is less  
34 than zero, the licensee may offset the loss against gross revenue in  
35 succeeding months until the loss has been fully offset.

36 ~~[12.]~~ 14. If in any month, the amount of the license fee due is  
37 less than zero, the licensee is entitled to receive a credit against any  
38 license fees due in succeeding months until the credit has been fully  
39 offset.

40 **Sec. 4.** NRS 463.730 is hereby amended to read as follows:

41 463.730 1. Except as otherwise provided in subsection 2, the  
42 Commission may, with the advice and assistance of the Board,  
43 adopt regulations governing the operation of mobile gaming and the  
44 licensing of:

45 (a) An operator of a mobile gaming system;



1 (b) A manufacturer, seller or distributor of a mobile gaming  
2 system; and

3 (c) A manufacturer of equipment associated with mobile  
4 gaming.

5 2. The Commission may not adopt regulations pursuant to this  
6 section until the Commission first determines that:

7 (a) Mobile gaming systems are secure and reliable, and provide  
8 reasonable assurance that players will be of lawful age and  
9 communicating only from areas of licensed gaming establishments  
10 that have been approved by the Commission for that purpose; and

11 (b) Mobile gaming can be operated in a manner which complies  
12 with all applicable laws.

13 3. The regulations adopted by the Commission pursuant to this  
14 section must:

15 (a) Provide that gross revenue received by a licensed gaming  
16 establishment or the operator or the manufacturer of a mobile  
17 gaming system from the operation of mobile gaming is subject to  
18 the same license fee provisions of NRS 463.370 as the other games  
19 and gaming devices operated at the licensed gaming establishment.

20 (b) Provide that a mobile communications device which displays  
21 information relating to the game to a participant in the game as part  
22 of a mobile gaming system is subject to the same fees and taxes  
23 applicable to slot machines as set forth in NRS 463.375 and  
24 463.385.

25 (c) Set forth standards for the ~~location and~~ security of the  
26 computer system *and its location, which may be outside a licensed  
27 gaming establishment but must be within this State*, and for  
28 approval of hardware and software used in connection with mobile  
29 gaming.

30 (d) Define "mobile gaming system," "operator of a mobile  
31 gaming system ~~;~~" *and* "equipment associated with mobile  
32 gaming" ~~and "public area"~~ as the terms are used in this chapter.





