

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.

~

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 registration of secondary sports pool wagering brokers; prohibiting a person from operating as a secondary sports pool wagering broker without obtaining a registration; 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) Existing law provides that it is unlawful for a
5 person to perform certain actions relating to gaming, including, without limitation,
6 operating a race book or sports pool, without having first procured, and thereafter
7 maintaining, all required gaming licenses or registrations. (NRS 463.160) **Section 3**
8 of this bill requires the Commission to adopt regulations providing for the operation
9 and registration of secondary sports pool wagering brokers, which is defined in
10 **section 2** of this bill to mean a person who, for a fee, facilitates the sale from one
11 person to another of an existing wager originally placed with a person who operates
12 a sports pool. **Section 3** requires the regulations adopted by the Commission to,
13 without limitation: (1) require a secondary sports pool wagering broker to be
14 registered with the Board; (2) require each employee of a secondary sports pool



15 wagering broker to register with the Board in the same manner as a gaming
16 employee; (3) establish fees associated with such registrations; and (4) set forth
17 requirements for the operation of a secondary sports pool wagering broker. **Section**
18 **6** of this bill makes it unlawful for a person to operate as a secondary sports pool
19 wagering broker without first procuring, and thereafter maintaining, the required
20 registration. **Section 5** of this bill makes a conforming change to indicate the proper
21 placement of **section 2** in the Nevada Revised Statutes.

22 Existing law prohibits a person from being employed as a gaming employee
23 unless the person is registered with the Board. (NRS 463.335) Existing law defines
24 "gaming employee" to include certain specified persons including, without
25 limitation, employees whose duties are directly involved with the manufacture,
26 repair, sale or distribution of gaming devices, certain associated equipment,
27 cashless wagering systems or interactive gaming systems. (NRS 463.0157) **Section**
28 **4** of this bill requires the Commission to adopt regulations specifying the duties
29 relating to the manufacture or repair of gaming devices, associated equipment,
30 cashless wagering systems or interactive gaming systems that an employee must
31 have for the employee to constitute a gaming employee.

32 Existing law requires a licensee who participates in foreign gaming to file
33 periodically certain documents, reports and other information with the Board. (NRS
34 463.710) **Section 7** of this bill exempts a foreign gaming manufacturer from those
35 filing requirements and instead requires a foreign gaming manufacturer to file with
36 the Board certain annual reports, quarterly reports and other information required
37 by the Commission. **Section 7** defines "foreign gaming manufacturer" to mean, in
38 general, a licensee whose participation in foreign gaming is limited to receiving
39 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:

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

3 **Sec. 2.** *"Secondary sports pool wagering broker" means a*
4 *person who, for a fee, facilitates the sale from one person to*
5 *another of an existing wager originally placed with a person who*
6 *operates a sports pool.*

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

10 **2.** *The regulations adopted pursuant to subsection 1 must:*

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

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

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

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



1 (e) Establish fees for the application and renewal of a
2 registration of an employee of a secondary sports pool wagering
3 broker, which may not exceed the fees for the application and
4 renewal of a registration as a gaming employee.

5 (f) Set forth requirements for the operation of a secondary
6 sports pool wagering broker.

7 (g) Address such other matters as the Commission deems
8 necessary to carry out the provisions of this section and which are
9 consistent with the public policy of the State pursuant to
10 NRS 463.0129.

11 3. Except as otherwise provided by specific statute or by the
12 regulations adopted pursuant to this section, an employee of a
13 secondary sports pool wagering broker shall be deemed to be a
14 gaming employee for the purposes of all provisions of this chapter
15 and the regulations adopted pursuant thereto that apply to a
16 gaming employee.

17 4. In addition to the registration required pursuant to
18 subsection 2, the Commission, upon recommendation of the
19 Board, may require an owner, operator or employee of a
20 secondary sports pool wagering broker or any person who has
21 significant involvement with the activities of a secondary sports
22 pool wagering broker to file an application for a finding of
23 suitability.

24 5. If an application for a finding of suitability is not
25 submitted to the Board within 30 days after the Commission so
26 requests, the Commission may pursue any remedy or combination
27 of remedies provided in this chapter.

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

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

35 463.013 As used in this chapter, unless the context otherwise
36 requires, the words and terms defined in NRS 463.0133 to
37 463.01967, inclusive, *and section 2 of this act* have the meanings
38 ascribed to them in those sections.

39 **Sec. 6.** NRS 463.160 is hereby amended to read as follows:

40 463.160 1. Except as otherwise provided in subsection 3 and
41 NRS 462.155 and 463.172, it is unlawful for any person, either as
42 owner, lessee or employee, whether for hire or not, either solely or
43 in conjunction with others:



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

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

5 (c) To operate a gaming salon;

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

10 (e) To operate as a cash access and wagering instrument service
11 provider; ~~(e)~~

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

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

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

19 2. Except as otherwise provided in subsection 3, it is unlawful
20 for any person knowingly to permit any gambling game, slot
21 machine, gaming device, race book or sports pool to be conducted,
22 operated, dealt or carried on in any house or building or other
23 premises owned by the person, in whole or in part, by a person who
24 is not licensed pursuant to this chapter, or that person's employee.

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

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

31 *(a) Includes* making the premises available for any of the
32 following purposes:

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

35 ~~(b)~~ *(2)* Accepting wagers from patrons;

36 ~~(e)~~ *(3)* Allowing patrons to place wagers;

37 ~~(d)~~ *(4)* Paying winning wagers to patrons; or

38 ~~(e)~~ *(5)* Allowing patrons to withdraw cash from an account for
39 wagering or to be issued a ticket, receipt, representation of value or
40 other credit representing a withdrawal from an account for wagering
41 that can be redeemed for cash,

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



1 *(b) Does not include operating as a secondary sports pool*
2 *wagering broker.*

3 5. A separate license must be obtained for each location at
4 which ~~[such an]~~ *the operation of a race book or sports pool* is
5 conducted.

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

7 463.710 **1.** Unless otherwise ordered by the Board or
8 Commission, a licensee who participates in foreign gaming , *other*
9 *than a foreign gaming manufacturer*, shall file with the Board:

10 ~~[1-]~~ **(a)** As soon as participation in foreign gaming begins, all
11 documents filed by the licensee or by an affiliate with the foreign
12 jurisdiction.

13 ~~[2-]~~ **(b)** Annual operational and regulatory reports describing
14 compliance with regulations, procedures for audit, and procedures
15 for surveillance relating to the foreign gaming operation.

16 ~~[3-]~~ **(c)** Quarterly reports regarding any of the following
17 information which is within the knowledge of the licensee:

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

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

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

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

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

33 ~~[4-]~~ **(d)** Such other information as the Commission requires by
34 regulation.

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

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

40 **(b)** *Quarterly reports regarding all complaints, disputes, orders*
41 *to show cause and disciplinary actions in which the amount of any*
42 *penalty imposed was \$10,000 or more, which are related to gaming*
43 *and instituted or presided over by an entity of the United States, a*
44 *state or any governmental jurisdiction concerning the foreign*
45 *gaming operation.*



1 (c) *Such other information as the Commission requires by*
2 *regulation.*

3 3. *As used in this section:*

4 (a) *“Foreign gaming manufacturer” means a licensee whose*
5 *participation in foreign gaming is limited to receiving recurring*
6 *gaming revenue from the placement of a gaming device outside*
7 *this State.*

8 (b) *“Recurring gaming revenue” means compensation*
9 *received from the placement of a gaming device outside this State*
10 *that is calculated as a percentage of the winnings or revenue of*
11 *the gaming device. The term does not include any money received*
12 *from:*

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

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



