
SENATE BILL NO. 46—COMMITTEE ON JUDICIARY
(ON BEHALF OF THE NEVADA GAMING CONTROL BOARD)

PREFILED NOVEMBER 19, 2018

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to the regulation of gaming. (BDR 41-342)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
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 provide by regulation for the operation and registration of tout services and persons associated therewith; requiring the Commission to adopt regulations interpreting certain terms in the public policy of this State pertaining to gaming; revising the definition of “gross revenue”; prohibiting a person from performing an act that requires registration without being registered; providing for the registration, rather than licensure, of service providers; authorizing the Attorney General or district attorney of any county to apply for a court order to intercept communications during an investigation involving certain offenses relating to gaming; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law provides that certain natural persons and business entities must be
2 licensed, registered, found suitable or approved to conduct or be involved in
3 gaming or certain activities relating to gaming. (Chapter 463 of NRS) **Section 1** of
4 this bill requires the Nevada Gaming Commission, with the advice and assistance
5 of the Nevada Gaming Control Board, to provide by regulation for the operation
6 and registration of tout services and persons associated therewith. **Section 1** defines



7 the term "tout service" as a person who, for any form of compensation, fee or
8 remuneration, provides advice or opinions relating to wagering on racing or
9 sporting events.

10 Existing law sets forth the public policy pertaining to gaming in this State,
11 which provides that to ensure that gaming is conducted honestly, competitively and
12 free of criminal and corruptive elements, all gaming establishments in this State
13 must remain open to the general public and the access of the general public to
14 gaming activities must not be restricted in any manner except as provided by the
15 Legislature. (NRS 463.0129) **Section 2** of this bill requires the Commission, with
16 the advice and assistance of the Board, to adopt regulations interpreting the terms
17 "open to the general public" and "access of the general public to gaming activities"
18 as used in the declaration of the public policy of this State pertaining to gaming.

19 Existing law requires the Commission to charge and collect from each licensee
20 a license fee based upon all the gross revenue of the licensee. (NRS 463.370) Under
21 existing law, "gross revenue" does not include cash received as entry fees for
22 contests or tournaments in which patrons compete for prizes, except for a contest or
23 tournament conducted in conjunction with an inter-casino linked system. (NRS
24 463.0161) **Section 3** of this bill revises the definition of "gross revenue" to include
25 cash received as entry fees for all contests or tournaments.

26 Existing law provides that it is unlawful for a person to perform certain acts
27 relating to gaming without having first procured, and thereafter maintaining in
28 effect, all federal, state, county and municipal gaming licenses as required by
29 statute, regulation or ordinance or by the governing board of any unincorporated
30 town. (NRS 463.160) **Section 4** of this bill extends this prohibition to performing
31 acts that require registration pursuant to chapter 463 of NRS or the regulations
32 adopted pursuant thereto, other than temporary registration or registration as a
33 gaming employee.

34 Existing law authorizes the Commission to provide by regulation for the
35 licensing and operation of service providers and all persons, locations and matters
36 associated therewith. (NRS 463.677) **Sections 5-7** of this bill revise various
37 sections of NRS to provide for registration, rather than licensure, of service
38 providers.

39 Existing law authorizes the Attorney General or the district attorney of any
40 county to apply for a court order authorizing the interception of wire, electronic or
41 oral communications by investigative or law enforcement officers having
42 responsibility for the investigation of certain offenses. (NRS 179.460) Existing law
43 also provides that it is unlawful for a person to: (1) perform certain actions relating
44 to gaming without having first procured, and thereafter maintaining, all required
45 gaming licenses; or (2) receive any compensation or reward, or any percentage or
46 share of the money or property played, for performing certain actions relating to a
47 bet or wager on the result of any event held at a track involving a horse or other
48 animal, sporting event or other event, without having first procured, and thereafter
49 maintaining, all required gaming licenses. (NRS 463.160, 465.086) **Section 8** of
50 this bill adds those offenses to the list of offenses for which such an interception of
51 communications may be ordered.



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 Commission shall, with the advice and assistance of**
4 **the Board, provide by regulation for the operation and registration**
5 **of tout services and persons associated therewith.**

6 **2. Such regulations may include, without limitation:**

7 **(a) Provisions relating to the operation and location of tout**
8 **services, including, without limitation, minimum internal and**
9 **operational control standards established by the Commission.**

10 **(b) Provisions relating to the registration of persons owning or**
11 **operating a tout service and any persons having a significant**
12 **involvement with a tout service, as determined by the Commission.**

13 **(c) A provision that a person owning, operating or having a**
14 **significant involvement with a tout service may be required by the**
15 **Commission to be found suitable to be associated with licensed**
16 **gaming, including race book or sports pool operations.**

17 **(d) The establishment of fees for an initial registration and the**
18 **renewal of a registration.**

19 **(e) The establishment of an appropriate period of validity of a**
20 **registration.**

21 **(f) Additional matters which the Commission deems necessary**
22 **and appropriate to carry out the provisions of this section and**
23 **which are consistent with the public policy of this State pursuant**
24 **to NRS 463.0129.**

25 **3. As used in this section, "tout service" means a person who,**
26 **for any form of compensation, fee or other remuneration, provides**
27 **advice or opinions to another person related to wagering on racing**
28 **or sporting events.**

29 **Sec. 2.** NRS 463.0129 is hereby amended to read as follows:

30 463.0129 1. The Legislature hereby finds, and declares to be
31 the public policy of this state, that:

32 **(a) The gaming industry is vitally important to the economy of**
33 **the State and the general welfare of the inhabitants.**

34 **(b) The continued growth and success of gaming is dependent**
35 **upon public confidence and trust that licensed gaming and the**
36 **manufacture, sale and distribution of gaming devices and associated**
37 **equipment are conducted honestly and competitively, that**
38 **establishments which hold restricted and nonrestricted licenses**
39 **where gaming is conducted and where gambling devices are**
40 **operated do not unduly impact the quality of life enjoyed by**
41 **residents of the surrounding neighborhoods, that the rights of the**



1 creditors of licensees are protected and that gaming is free from
2 criminal and corruptive elements.

3 (c) Public confidence and trust can only be maintained by strict
4 regulation of all persons, locations, practices, associations and
5 activities related to the operation of licensed gaming establishments,
6 the manufacture, sale or distribution of gaming devices and
7 associated equipment and the operation of inter-casino linked
8 systems.

9 (d) All establishments where gaming is conducted and where
10 gaming devices are operated, and manufacturers, sellers and
11 distributors of certain gaming devices and equipment, and operators
12 of inter-casino linked systems must therefore be licensed, controlled
13 and assisted to protect the public health, safety, morals, good order
14 and general welfare of the inhabitants of the State, to foster the
15 stability and success of gaming and to preserve the competitive
16 economy and policies of free competition of the State of Nevada.

17 (e) To ensure that gaming is conducted honestly, competitively
18 and free of criminal and corruptive elements, all gaming
19 establishments in this state must remain open to the general public
20 and the access of the general public to gaming activities must not be
21 restricted in any manner except as provided by the Legislature. *The*
22 *Commission, with the advice and assistance of the Board, shall*
23 *adopt regulations interpreting the terms “open to the general*
24 *public” and “access of the general public to gaming activities” as*
25 *used in this paragraph.*

26 2. No applicant for a license or other affirmative commission
27 approval has any right to a license or the granting of the approval
28 sought. Any license issued or other commission approval granted
29 pursuant to the provisions of this chapter or chapter 464 of NRS is a
30 revocable privilege, and no holder acquires any vested right therein
31 or thereunder.

32 3. This section does not:

33 (a) Abrogate or abridge any common-law right of a gaming
34 establishment to exclude any person from gaming activities or eject
35 any person from the premises of the establishment for any reason; or

36 (b) Prohibit a licensee from establishing minimum wagers for
37 any gambling game or slot machine.

38 **Sec. 3.** NRS 463.0161 is hereby amended to read as follows:

39 463.0161 1. “Gross revenue” means the total of all:

40 (a) Cash received as winnings;

41 (b) *Cash received as entry fees for contests and tournaments;*

42 (c) Cash received in payment for credit extended by a licensee to
43 a patron for purposes of gaming; and



1 ~~[(e)]~~ (d) Compensation received for conducting any game, or
2 any contest or tournament in conjunction with interactive gaming, in
3 which the licensee is not party to a wager,
4 ↪ less the total of all cash paid out as losses to patrons, those
5 amounts paid to fund periodic payments and any other items made
6 deductible as losses by NRS 463.3715. ~~[For the purposes of this~~
7 ~~section, cash or the value of noncash prizes awarded to patrons in a~~
8 ~~contest or tournament are not losses, except that losses in a contest~~
9 ~~or tournament conducted in conjunction with an inter-casino linked~~
10 ~~system may be deducted to the extent of the compensation received~~
11 ~~for the right to participate in that contest or tournament.]~~

12 2. The term does not include:

13 (a) Counterfeit facsimiles of money, chips, tokens, wagering
14 instruments or wagering credits;

15 (b) Coins of other countries which are received in gaming
16 devices;

17 (c) Any portion of the face value of any chip, token or other
18 representative of value won by a licensee from a patron for which
19 the licensee can demonstrate that it or its affiliate has not received
20 cash;

21 (d) Cash taken in fraudulent acts perpetrated against a licensee
22 for which the licensee is not reimbursed;

23 (e) ~~[Cash received as entry fees for contests or tournaments in~~
24 ~~which patrons compete for prizes, except for a contest or tournament~~
25 ~~conducted in conjunction with an inter-casino linked system;~~

26 ~~—(f)]~~ Uncollected baccarat commissions; or

27 ~~[(g)]~~ (f) Cash provided by the licensee to a patron and
28 subsequently won by the licensee, for which the licensee can
29 demonstrate that it or its affiliate has not been reimbursed.

30 3. As used in this section, “baccarat commission” means:

31 (a) A fee assessed by a licensee on cash paid out as a loss to a
32 patron at baccarat to modify the odds of the game; or

33 (b) A rate or fee charged by a licensee for the right to participate
34 in a baccarat game.

35 **Sec. 4.** NRS 463.160 is hereby amended to read as follows:

36 463.160 1. Except as otherwise provided in subsection 4 and
37 NRS 463.172, it is unlawful for any person, either as owner, lessee
38 or employee, whether for hire or not, either solely or in conjunction
39 with others:

40 (a) To deal, operate, carry on, conduct, maintain or expose for
41 play in the State of Nevada any gambling game, gaming device,
42 inter-casino linked system, mobile gaming system, slot machine,
43 race book or sports pool;

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

45 (c) To operate a gaming salon;



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

6 (e) To ~~operate as a cash access and wagering instrument service~~
7 ~~provider;~~ *perform any act for which the person is required to be*
8 *registered pursuant to the provisions of this chapter or the*
9 *regulations adopted pursuant thereto, except being temporarily*
10 *registered as a gaming employee or registered as a gaming*
11 *employee; or*

12 (f) To operate, carry on, conduct, maintain or expose for play in
13 or from the State of Nevada any interactive gaming system,
14 ↪ without having first procured, and thereafter maintaining in
15 effect, all federal, state, county and municipal gaming licenses *or*
16 *registrations* as required by statute, regulation or ordinance or by
17 the governing board of any unincorporated town.

18 2. The licensure of an operator of an inter-casino linked system
19 is not required if:

20 (a) A gaming licensee is operating an inter-casino linked system
21 on the premises of an affiliated licensee; or

22 (b) An operator of a slot machine route is operating an inter-
23 casino linked system consisting of slot machines only.

24 3. Except as otherwise provided in subsection 4, it is unlawful
25 for any person knowingly to permit any gambling game, slot
26 machine, gaming device, inter-casino linked system, mobile gaming
27 system, race book or sports pool to be conducted, operated, dealt or
28 carried on in any house or building or other premises owned by the
29 person, in whole or in part, by a person who is not licensed pursuant
30 to this chapter, or that person's employee.

31 4. The Commission may, by regulation, authorize a person to
32 own or lease gaming devices for the limited purpose of display or
33 use in the person's private residence without procuring a state
34 gaming license.

35 5. For the purposes of this section, the operation of a race book
36 or sports pool includes making the premises available for any of the
37 following purposes:

38 (a) Allowing patrons to establish an account for wagering with
39 the race book or sports pool;

40 (b) Accepting wagers from patrons;

41 (c) Allowing patrons to place wagers;

42 (d) Paying winning wagers to patrons; or

43 (e) Allowing patrons to withdraw cash from an account for
44 wagering or to be issued a ticket, receipt, representation of value or



1 other credit representing a withdrawal from an account for wagering
2 that can be redeemed for cash,
3 ↪ whether by a transaction in person at an establishment or through
4 mechanical means, such as a kiosk or similar device, regardless of
5 whether that device would otherwise be considered associated
6 equipment. A separate license must be obtained for each location at
7 which such an operation is conducted.

8 6. As used in this section, “affiliated licensee” has the meaning
9 ascribed to it in NRS 463.430.

10 **Sec. 5.** NRS 463.677 is hereby amended to read as follows:

11 463.677 1. The Legislature finds that:

12 (a) Technological advances have evolved which allow licensed
13 gaming establishments to expose games, including, without
14 limitation, system-based and system-supported games, gaming
15 devices, mobile gaming systems, interactive gaming, cashless
16 wagering systems or race books and sports pools, and to be assisted
17 by a service provider who provides important services to the public
18 with regard to the conduct and exposure of such games.

19 (b) To protect and promote the health, safety, morals, good
20 order and general welfare of the inhabitants of this State, and to
21 carry out the public policy declared in NRS 463.0129, it is necessary
22 that the Board and Commission have the ability to ~~{license}~~ *register*
23 service providers ~~{by maintaining}~~ *and maintain* strict regulation
24 and control of the operation of such service providers and all
25 persons and locations associated therewith.

26 2. Except as otherwise provided in subsection 3, the
27 Commission may, with the advice and assistance of the Board,
28 provide by regulation for the ~~{licensing}~~ *registration* and operation
29 of a service provider and all persons, locations and matters
30 associated therewith. Such regulations may include, without
31 limitation:

32 (a) Provisions requiring the service provider to meet the
33 qualifications for licensing pursuant to NRS 463.170, in addition to
34 any other qualifications established by the Commission ~~{}~~ and to be
35 ~~{licensed}~~ *registered* regardless of whether the service provider
36 holds any ~~{other}~~ license.

37 (b) Criteria regarding the location from which the service
38 provider conducts its operations, including, without limitation,
39 minimum internal and operational control standards established by
40 the Commission.

41 (c) Provisions relating to the ~~{licensing}~~ *registration* of persons
42 owning or operating a service provider, and any persons having a
43 significant involvement therewith, as determined by the
44 Commission.



1 (d) A provision that a person owning, operating or having
2 significant involvement with a service provider, as determined by
3 the Commission, may be required by the Commission to be found
4 suitable to be associated with licensed gaming, including race book
5 or sports pool operations.

6 (e) Additional matters which the Commission deems necessary
7 and appropriate to carry out the provisions of this section and which
8 are consistent with the public policy of this State pursuant to NRS
9 463.0129, including that a service provider must be liable to the
10 licensee on whose behalf the services are provided for the service
11 provider's proportionate share of the fees and taxes paid by the
12 licensee.

13 3. The Commission may not adopt regulations pursuant to this
14 section until the Commission first determines that service providers
15 are secure and reliable, do not pose a threat to the integrity of
16 gaming and are consistent with the public policy of this State
17 pursuant to NRS 463.0129.

18 4. Regulations adopted by the Commission pursuant to this
19 section must provide that the premises on which a service provider
20 conducts its operations are subject to the power and authority of the
21 Board and Commission pursuant to NRS 463.140, as though the
22 premises are where gaming is conducted and the service provider is
23 a gaming licensee.

24 5. As used in this section:

25 (a) "Interactive gaming service provider" means a person who
26 acts on behalf of an establishment licensed to operate interactive
27 gaming and:

28 (1) Manages, administers or controls wagers that are
29 initiated, received or made on an interactive gaming system;

30 (2) Manages, administers or controls the games with which
31 wagers that are initiated, received or made on an interactive gaming
32 system are associated;

33 (3) Maintains or operates the software or hardware of an
34 interactive gaming system; or

35 (4) Provides products, services, information or assets to an
36 establishment licensed to operate interactive gaming and receives
37 therefor a percentage of gaming revenue from the establishment's
38 interactive gaming system.

39 (b) "Service provider" means a person who:

40 (1) Acts on behalf of ~~another~~ a licensed person who
41 conducts nonrestricted gaming operations, and who assists,
42 manages, administers or controls wagers or games, or maintains or
43 operates the software or hardware of games on behalf of such a
44 licensed person, and is authorized to share in the revenue from



1 games without being licensed to conduct gaming at an
2 establishment;

3 (2) Is an interactive gaming service provider;

4 (3) Is a cash access and wagering instrument service
5 provider; or

6 (4) Meets such other or additional criteria as the Commission
7 may establish by regulation.

8 **Sec. 6.** NRS 463.750 is hereby amended to read as follows:

9 463.750 1. The Commission shall, with the advice and
10 assistance of the Board, adopt regulations governing the licensing
11 and operation of interactive gaming.

12 2. The regulations adopted by the Commission pursuant to this
13 section must:

14 (a) Establish the investigation fees for:

15 (1) A license to operate interactive gaming;

16 (2) A license for a manufacturer of interactive gaming
17 systems; and

18 (3) ~~[A license for]~~ **Registration as** a service provider to
19 perform the actions described in paragraph (a) of subsection 5 of
20 NRS 463.677.

21 (b) Provide that:

22 (1) A person must hold a license for a manufacturer of
23 interactive gaming systems to supply or provide any interactive
24 gaming system, including, without limitation, any piece of
25 proprietary software or hardware; and

26 (2) A person must ~~[hold a license for]~~ **be registered as** a
27 service provider to perform the actions described in paragraph (a) of
28 subsection 5 of NRS 463.677.

29 (c) Except as otherwise provided in subsections 6 to 10,
30 inclusive, set forth standards for the suitability of a person to be
31 licensed as a manufacturer of interactive gaming systems or **to be**
32 **registered as** a service provider as described in paragraph (b) of
33 subsection 5 of NRS 463.677 that are as stringent as the standards
34 for a nonrestricted license.

35 (d) Set forth provisions governing:

36 (1) The initial fee for ~~[a license for]~~ **registration as** a service
37 provider as described in paragraph (b) of subsection 5 of
38 NRS 463.677.

39 (2) The fee for the renewal of such ~~[a license for such]~~
40 **registration as** a service provider and any renewal requirements for
41 such ~~[a license.]~~ **registration.**

42 (3) Any portion of the license fee paid by a person licensed
43 to operate interactive gaming, pursuant to subsection 1 of NRS
44 463.770, for which a service provider may be liable to the person
45 licensed to operate interactive gaming.



1 (e) Provide that gross revenue received by an establishment
2 from the operation of interactive gaming is subject to the same
3 license fee provisions of NRS 463.370 as the games and gaming
4 devices of the establishment, unless federal law otherwise provides
5 for a similar fee or tax.

6 (f) Set forth standards for the location and security of the
7 computer system and for approval of hardware and software used in
8 connection with interactive gaming.

9 (g) Define “interactive gaming system,” “manufacturer of
10 interactive gaming systems,” “operate interactive gaming” and
11 “proprietary hardware and software” as the terms are used in this
12 chapter.

13 3. Except as otherwise provided in subsections 4 and 5, the
14 Commission shall not approve a license for an establishment to
15 operate interactive gaming unless:

16 (a) In a county whose population is 700,000 or more, the
17 establishment is a resort hotel that holds a nonrestricted license to
18 operate games and gaming devices.

19 (b) In a county whose population is 45,000 or more but less than
20 700,000, the establishment is a resort hotel that holds a nonrestricted
21 license to operate games and gaming devices or the establishment:

22 (1) Holds a nonrestricted license for the operation of games
23 and gaming devices;

24 (2) Has more than 120 rooms available for sleeping
25 accommodations in the same county;

26 (3) Has at least one bar with permanent seating capacity for
27 more than 30 patrons that serves alcoholic beverages sold by the
28 drink for consumption on the premises;

29 (4) Has at least one restaurant with permanent seating
30 capacity for more than 60 patrons that is open to the public 24 hours
31 each day and 7 days each week; and

32 (5) Has a gaming area that is at least 18,000 square feet in
33 area with at least 1,600 slot machines, 40 table games, and a sports
34 book and race pool.

35 (c) In all other counties, the establishment is a resort hotel that
36 holds a nonrestricted license to operate games and gaming devices
37 or the establishment:

38 (1) Has held a nonrestricted license for the operation of
39 games and gaming devices for at least 5 years before the date of its
40 application for a license to operate interactive gaming;

41 (2) Meets the definition of group 1 licensee as set forth in the
42 regulations of the Commission on the date of its application for a
43 license to operate interactive gaming; and

44 (3) Operates either:



1 (I) More than 50 rooms for sleeping accommodations in
2 connection therewith; or

3 (II) More than 50 gaming devices in connection
4 therewith.

5 4. The Commission may:

6 (a) Issue a license to operate interactive gaming to an affiliate of
7 an establishment if:

8 (1) The establishment satisfies the applicable requirements
9 set forth in subsection 3;

10 (2) The affiliate is located in the same county as the
11 establishment; and

12 (3) The establishment has held a nonrestricted license for at
13 least 5 years before the date on which the application is filed; and

14 (b) Require an affiliate that receives a license pursuant to this
15 subsection to comply with any applicable provision of this chapter.

16 5. The Commission may issue a license to operate interactive
17 gaming to an applicant that meets any qualifications established by
18 federal law regulating the licensure of interactive gaming.

19 6. Except as otherwise provided in subsections 7, 8 and 9:

20 (a) A covered person may not be found suitable for licensure *or*
21 *registration* under this section within 5 years after February 21,
22 2013;

23 (b) A covered person may not be found suitable for licensure *or*
24 *registration* under this section unless such covered person expressly
25 submits to the jurisdiction of the United States and of each state in
26 which patrons of interactive gaming operated by such covered
27 person after December 31, 2006, were located, and agrees to waive
28 any statutes of limitation, equitable remedies or laches that
29 otherwise would preclude prosecution for a violation of any
30 provision of federal law or the law of any state in connection with
31 such operation of interactive gaming after that date;

32 (c) A person may not be found suitable for licensure *or*
33 *registration* under this section within 5 years after February 21,
34 2013, if such person uses a covered asset for the operation of
35 interactive gaming; and

36 (d) Use of a covered asset is grounds for revocation of an
37 interactive gaming license, or a finding of suitability, issued under
38 this section.

39 7. The Commission, upon recommendation of the Board, may
40 waive the requirements of subsection 6 if the Commission
41 determines that:

42 (a) In the case of a covered person described in paragraphs (a)
43 and (b) of subsection 1 of NRS 463.014645:

44 (1) The covered person did not violate, directly or indirectly,
45 any provision of federal law or the law of any state in connection



1 with the ownership and operation of, or provision of services to, an
2 interactive gaming facility that, after December 31, 2006, operated
3 interactive gaming involving patrons located in the United States;
4 and

5 (2) The assets to be used or that are being used by such
6 person were not used after that date in violation of any provision of
7 federal law or the law of any state;

8 (b) In the case of a covered person described in paragraph (c) of
9 subsection 1 of NRS 463.014645, the assets that the person will use
10 in connection with interactive gaming for which the covered person
11 applies for a finding of suitability were not used after December 31,
12 2006, in violation of any provision of federal law or the law of any
13 state; and

14 (c) In the case of a covered asset, the asset was not used after
15 December 31, 2006, in violation of any provision of federal law or
16 the law of any state, and the interactive gaming facility in
17 connection with which the asset was used was not used after that
18 date in violation of any provision of federal law or the law of any
19 state.

20 8. With respect to a person applying for a waiver pursuant to
21 subsection 7, the Commission shall afford the person an opportunity
22 to be heard and present relevant evidence. The Commission shall act
23 as finder of fact and is entitled to evaluate the credibility of
24 witnesses and persuasiveness of the evidence. The affirmative votes
25 of a majority of the whole Commission are required to grant or deny
26 such waiver. The Board shall make appropriate investigations to
27 determine any facts or recommendations that it deems necessary or
28 proper to aid the Commission in making determinations pursuant to
29 this subsection and subsection 7.

30 9. The Commission shall make a determination pursuant to
31 subsections 7 and 8 with respect to a covered person or covered
32 asset without regard to whether the conduct of the covered person or
33 the use of the covered asset was ever the subject of a criminal
34 proceeding for a violation of any provision of federal law or the law
35 of any state, or whether the person has been prosecuted and the
36 prosecution terminated in a manner other than with a conviction.

37 10. It is unlawful for any person, either as owner, lessee or
38 employee, whether for hire or not, either solely or in conjunction
39 with others, to operate interactive gaming:

40 (a) Until the Commission adopts regulations pursuant to this
41 section; and

42 (b) Unless the person first procures, and thereafter maintains in
43 effect, all appropriate licenses as required by the regulations adopted
44 by the Commission pursuant to this section.



1 11. A person who violates subsection 10 is guilty of a category
2 B felony and shall be punished by imprisonment in the state prison
3 for a minimum term of not less than 1 year and a maximum term of
4 not more than 10 years or by a fine of not more than \$50,000, or
5 both.

6 **Sec. 7.** NRS 463.767 is hereby amended to read as follows:

7 463.767 1. The Commission may, with the advice and
8 assistance of the Board, adopt a seal for its use to identify:

9 (a) A license to operate interactive gaming;

10 (b) A license for a manufacturer of interactive gaming systems;
11 and

12 (c) ~~[A license for]~~ *Registration as* a service provider to perform
13 the actions described in paragraph (a) of subsection 5 of
14 NRS 463.677.

15 2. The Chair of the Commission has the care and custody of
16 the seal.

17 3. The seal must have imprinted thereon the words "Nevada
18 Gaming Commission."

19 4. A person shall not use, copy or reproduce the seal in any
20 way not authorized by this chapter or the regulations of the
21 Commission. Except under circumstances where a greater penalty is
22 provided in NRS 205.175, a person who violates this subsection is
23 guilty of a gross misdemeanor.

24 5. A person convicted of violating subsection 4 is, in addition
25 to any criminal penalty imposed, liable for a civil penalty upon each
26 such conviction. A court before whom a defendant is convicted of a
27 violation of subsection 4 shall, for each violation, order the
28 defendant to pay a civil penalty of \$5,000. The money so collected:

29 (a) Must not be deducted from any penal fine imposed by the
30 court;

31 (b) Must be stated separately on the court's docket; and

32 (c) Must be remitted forthwith to the Commission.

33 **Sec. 8.** NRS 179.460 is hereby amended to read as follows:

34 179.460 1. The Attorney General or the district attorney of
35 any county may apply to a Supreme Court justice or to a district
36 judge in the county where the interception is to take place for an
37 order authorizing the interception of wire, electronic or oral
38 communications, and the judge may, in accordance with NRS
39 179.470 to 179.515, inclusive, grant an order authorizing the
40 interception of wire, electronic or oral communications by
41 investigative or law enforcement officers having responsibility for
42 the investigation of the offense as to which the application is made,
43 when the interception may provide evidence of the commission of
44 murder, kidnapping, robbery, extortion, bribery, escape of an
45 offender in the custody of the Department of Corrections,



1 destruction of public property by explosives, a sexual offense
2 against a child, sex trafficking, a violation of NRS 200.463, 200.464
3 or 200.465, trafficking in persons in violation of NRS 200.467 or
4 200.468 , ~~[or]~~ the commission of any offense which is made a
5 felony by the provisions of chapter 453 or 454 of NRS ~~[]~~ *or a*
6 *violation of NRS 463.160 or 465.086.*

7 2. A provider of electronic communication service or a public
8 utility, an officer, employee or agent thereof or another person
9 associated with the provider of electronic communication service or
10 public utility who, pursuant to an order issued pursuant to
11 subsection 1, provides information or otherwise assists an
12 investigative or law enforcement officer in the interception of a
13 wire, electronic or oral communication is immune from any liability
14 relating to any interception made pursuant to the order.

15 3. As used in this section, “sexual offense against a child”
16 includes any act upon a child constituting:

- 17 (a) Incest pursuant to NRS 201.180;
18 (b) Lewdness with a child pursuant to NRS 201.230;
19 (c) Sado-masochistic abuse pursuant to NRS 201.262;
20 (d) Sexual assault pursuant to NRS 200.366;
21 (e) Statutory sexual seduction pursuant to NRS 200.368;
22 (f) Open or gross lewdness pursuant to NRS 201.210; or
23 (g) Luring a child or a person with mental illness pursuant to
24 NRS 201.560, if punished as a felony.

25 **Sec. 9.** This act becomes effective:

26 1. Upon passage and approval for the purpose of adopting
27 regulations and performing any other preparatory administrative
28 tasks that are necessary to carry out the provisions of this act; and

29 2. On July 1, 2019, for all other purposes.



