
ASSEMBLY BILL NO. 535—COMMITTEE ON JUDICIARY
(ON BEHALF OF THE STATE GAMING CONTROL BOARD)

MARCH 26, 2007

Referred to Committee on Judiciary

SUMMARY—Revises various provisions pertaining to gaming.
(BDR 41-591)

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; revising the provisions governing which persons are required to register as gaming employees; providing that foreign limited-liability companies and foreign limited partnerships may obtain state gaming licenses; revising the provisions governing the acquisition or disposition of certain interests in limited-liability companies and limited partnerships; prohibiting certain acts involving counterfeit wagering instruments and counterfeit promotional items; making various other changes pertaining to gaming; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Independent agents who reside in Nevada are currently required to register as
2 independent agents pursuant to the regulations adopted by the Nevada Gaming
3 Commission and are additionally required to register as gaming employees
4 pursuant to statute, whereas independent agents who reside outside Nevada are
5 required only to register as independent agents. (NRS 463.335; Regulation 25 of
6 the Nevada Gaming Commission) **Sections 1-5** of this bill remove the requirement
7 that independent agents who reside in Nevada must register as gaming employees.
8 **Section 1** also provides that persons involved in the process of registration of
9 gaming employees and persons directly involved in the manufacture, repair or
10 distribution of gaming devices and other systems and equipment must be registered
11 as gaming employees.



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12 **Sections 6-8, 10 and 13** of this bill revise existing law to allow foreign limited-
13 liability companies and limited partnerships to obtain state gaming licenses. (NRS
14 463.564, 463.5731)

15 **Sections 9, 11, 12, 14 and 15** of this bill require holding companies for limited-
16 liability companies and limited partnerships to seek administrative approval for the
17 acquisition or disposition of certain interests in such entities. Existing law is also
18 amended to provide that such acquisitions or dispositions are void if not approved
19 as required, rather than ineffective. (NRS 463.5665, 463.567, 463.57325, 463.5733)

20 **Section 16** of this bill makes the provisions concerning unsuitable and
21 unlicensed persons associated with certain business entities consistent with other
22 statutory provisions by expressly stating that such persons may not receive
23 remuneration, enter into a contract or be employed by any licensee or affiliate of a
24 licensee. (NRS 463.165, 463.166, 463.645)

25 **Sections 17 and 19** of this bill provide that persons in Nevada may place pari-
26 mutuel wagers on horse racing in other states and foreign countries where such
27 wagering is legal.

28 **Section 18** of this bill amends the existing prohibition against the use of
29 counterfeit wagering instruments to make unlawful the possession, sale or
30 manufacture of such counterfeit wagering instruments. (NRS 465.080) **Section 18**
31 also prohibits the possession, use, sale or manufacture of counterfeit promotional
32 items.

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

1 **Section 1.** NRS 463.0157 is hereby amended to read as
2 follows:

3 463.0157 1. "Gaming employee" means any person
4 connected directly with an operator of a slot route, the operator of a
5 pari-mutuel system, the operator of an inter-casino linked system or
6 a manufacturer, distributor or disseminator, or with the operation of
7 a gaming establishment licensed to conduct any game, 16 or more
8 slot machines, a race book, sports pool or pari-mutuel wagering,
9 including:

10 (a) Accounting or internal auditing personnel who are directly
11 involved in any recordkeeping or the examination of records
12 associated with revenue from gaming;

13 (b) Boxmen;

14 (c) Cashiers;

15 (d) Change personnel;

16 (e) Counting room personnel;

17 (f) Dealers;

18 (g) Employees of a person required by NRS 464.010 to be
19 licensed to operate an off-track pari-mutuel system;

20 (h) Employees of a person required by NRS 463.430 to be
21 licensed to disseminate information concerning racing;

22 (i) Employees ~~[of manufacturers or distributors of gaming~~
23 ~~equipment within this State]~~ whose duties are directly involved with



1 the manufacture, repair or distribution of gaming devices, cashless
2 wagering systems, mobile gaming systems, equipment associated
3 with mobile gaming systems, interactive gaming systems or
4 equipment associated with interactive gaming;

5 (j) Employees of operators of slot routes who have keys for slot
6 machines or who accept and transport revenue from the slot drop;

7 (k) Employees of operators of inter-casino linked systems,
8 mobile gaming systems or interactive gaming systems whose duties
9 include the operational or supervisory control of the systems or the
10 games that are part of the systems;

11 (l) *Employees whose responsibilities include performing the*
12 *duties relating to the process of registration of gaming employees*
13 *that a licensee is required to perform pursuant to the provisions of*
14 *this chapter and any regulations adopted pursuant thereto;*

15 (m) Floormen;

16 ~~[(m)]~~ (n) Hosts or other persons empowered to extend credit or
17 complimentary services;

18 ~~[(n)]~~ (o) Keno runners;

19 ~~[(o)]~~ (p) Keno writers;

20 ~~[(p)]~~ (q) Machine mechanics;

21 ~~[(q)]~~ (r) Odds makers and line setters;

22 ~~[(r)]~~ (s) Security personnel;

23 ~~[(s)]~~ (t) Shift or pit bosses;

24 ~~[(t)]~~ (u) Shills;

25 ~~[(u)]~~ (v) Supervisors or managers;

26 ~~[(v)]~~ (w) Ticket writers; and

27 ~~[(w)]~~ (x) Employees of a person required by NRS 463.160 to be
28 licensed to operate an information service.

29 2. "Gaming employee" does not include bartenders, cocktail
30 waitresses or other persons engaged exclusively in preparing or
31 serving food or beverages.

32 **Sec. 2.** NRS 463.01858 is hereby amended to read as follows:

33 463.01858 "Registered as a gaming employee" means
34 authorized to be employed as a gaming employee in this State . ~~[or~~
35 ~~to serve as an independent agent.]~~

36 **Sec. 3.** NRS 463.01955 is hereby amended to read as follows:

37 463.01955 "Temporarily registered as a gaming employee"
38 means authorized to be employed as a gaming employee in this
39 State ~~[or serve as an independent agent]~~ from the date of submitting
40 a complete application for registration or renewal of registration for
41 a period not to exceed 120 days following receipt of the complete
42 application by the Board, including classifiable fingerprints, unless
43 otherwise suspended.



1 **Sec. 4.** NRS 463.335 is hereby amended to read as follows:

2 463.335 1. The Legislature finds that, to protect and promote
3 the health, safety, morals, good order and general welfare of the
4 inhabitants of the State of Nevada and to carry out the policy
5 declared in NRS 463.0129, it is necessary that the Board:

6 (a) Ascertain and keep itself informed of the identity, prior
7 activities and present location of all gaming employees and
8 independent agents in the State of Nevada; and

9 (b) Maintain confidential records of such information.

10 2. ~~Except as otherwise provided in subsection 4, a~~ A person
11 may not be employed as a gaming employee ~~or serve as an~~
12 ~~independent agent~~ unless he is temporarily registered or registered
13 as a gaming employee pursuant to this section. An applicant for
14 registration or renewal of registration as a gaming employee must
15 file an application for registration or renewal of registration with the
16 Board. Whenever a registered gaming employee, whose registration
17 has not expired, has not been objected to by the Board, or has not
18 been suspended or revoked becomes employed as a gaming
19 employee at another or additional gaming establishment, he must
20 file a change of employment notice within 10 days with the Board.
21 The application for registration and change of employment notice
22 must be filed through the licensee for whom the applicant will
23 commence or continue working as a gaming employee, unless
24 otherwise filed with the Board as prescribed by regulation of the
25 Commission.

26 3. The Board shall prescribe the forms for the application for
27 registration as a gaming employee and the change of employment
28 notice.

29 4. ~~An independent agent is not required to be registered as a~~
30 ~~gaming employee if he is not a resident of this State and has~~
31 ~~registered with the Board in accordance with the provisions of the~~
32 ~~regulations adopted by the Commission.~~

33 ~~—5.]~~ A complete application for registration or renewal of
34 registration as a gaming employee or a change of employment
35 notice received by a licensee must be mailed or delivered to the
36 Board within 5 business days ~~of~~ *after* receipt unless the date is
37 administratively extended by the Chairman of the Board for good
38 cause. A licensee is not responsible for the accuracy or
39 completeness of any application for registration or renewal of
40 registration as a gaming employee or any change of employment
41 notice.

42 ~~[6.]~~ 5. The Board shall immediately conduct an investigation of
43 each person who files an application for registration or renewal of
44 registration as a gaming employee to determine whether he is
45 eligible for registration as a gaming employee. In conducting the



1 investigation, two complete sets of the applicant's fingerprints must
2 be submitted to the Central Repository for Nevada Records of
3 Criminal History for:

4 (a) A report concerning the criminal history of the applicant; and

5 (b) Submission to the Federal Bureau of Investigation for a
6 report concerning the criminal history of the applicant.

7 ➤ The investigation need not be limited solely to consideration of
8 the results of the report concerning the criminal history of the
9 applicant. The fee for processing an application for registration or
10 renewal of registration as a gaming employee may be charged only
11 to cover the actual investigative and administrative costs related to
12 processing the application and the fees charged by the Central
13 Repository for Nevada Records of Criminal History and the Federal
14 Bureau of Investigation to process the fingerprints of an applicant
15 pursuant to this subsection.

16 ~~[7.]~~ 6. Upon receipt of a change of employment notice, the
17 Board may conduct any investigations of the gaming employee that
18 the Board deems appropriate to determine whether the gaming
19 employee may remain registered as a gaming employee. The filing
20 of a change of employment notice constitutes an application for
21 registration as a gaming employee, and if the Board, after
22 conducting its investigation, suspends or objects to the continued
23 registration of the gaming employee, the provisions of subsections
24 ~~[11 to 17,]~~ 10 to 16, inclusive, apply to such suspension by or
25 objection of the Board. No fee may be charged by the Board to
26 cover the actual investigative and administrative costs related to
27 processing a change of employment notice.

28 ~~[8.]~~ 7. Except as otherwise prescribed by regulation of the
29 Commission, an applicant for registration or renewal of registration
30 as a gaming employee is deemed temporarily registered as a gaming
31 employee as of the date a complete application for registration or
32 renewal of registration is submitted to the licensee for which he will
33 commence or continue working as a gaming employee. Unless
34 objected to by the Board or suspended or revoked, the initial
35 registration of an applicant as a gaming employee expires 5 years
36 after the date employment commences with the applicable licensee .
37 ~~[or, in the case of an independent agent, 5 years after the date he~~
38 ~~contracts with an applicable licensee.]~~ Any subsequent renewal of
39 registration as a gaming employee, unless objected to by the Board
40 or suspended or revoked, expires 5 years after the expiration date of
41 the most recent registration or renewal of registration of the gaming
42 employee.

43 ~~[9.]~~ 8. If, within 120 days after receipt by the Board of a
44 complete application for registration or renewal of registration as a
45 gaming employee, including classifiable fingerprints, or a change of



1 employment notice, the Board has not notified the applicable
2 licensee of any suspension or objection, the applicant shall be
3 deemed to be registered as a gaming employee. A complete
4 application for registration or renewal of registration as a gaming
5 employee is composed of:

6 (a) The fully completed form for application for registration as a
7 gaming employee prescribed in subsection 3;

8 (b) Two complete sets of the fingerprints of the applicant, unless
9 directly forwarded electronically or by another means to the Central
10 Repository for Nevada Records of Criminal History;

11 (c) The fee for processing the application for registration or
12 renewal of registration as a gaming employee prescribed by the
13 Board pursuant to subsection ~~6.1~~ 5, unless otherwise prescribed by
14 regulation of the Commission; and

15 (d) A completed statement as prescribed in subsections 1 and 2
16 of NRS 463.3351.

17 ➔ If the Board determines after receiving an application for
18 registration or renewal of registration as a gaming employee that the
19 application is incomplete, the Board may suspend the temporary
20 registration as a gaming employee of the applicant who filed the
21 incomplete application. An applicant whose temporary registration
22 is suspended shall not be eligible to work as a gaming employee
23 until such time as he files a complete application.

24 ~~10.1~~ 9. A person who is temporarily registered or registered as
25 a gaming employee is eligible for employment in any licensed
26 gaming establishment in this State until such registration is objected
27 to by the Board, expires or is suspended or revoked. The
28 Commission shall adopt regulations to:

29 (a) Establish uniform procedures for the registration of gaming
30 employees;

31 (b) Establish uniform criteria for objection by the Board of an
32 application for registration; and

33 (c) Provide for the creation and maintenance of a system of
34 records that contain information regarding the current place of
35 employment of each person who is registered as a gaming employee
36 and each person whose registration as a gaming employee has
37 expired, was objected to by the Board, or was suspended or revoked.
38 The system of records must be accessible by:

39 (1) Licensees for the limited purpose of complying with
40 subsection 2; and

41 (2) The Central Repository for Nevada Records of Criminal
42 History for the limited purpose of complying with NRS 179D.570.

43 ~~11.1~~ 10. If the Board, within the 120-day period prescribed in
44 subsection ~~9.1~~ 8, notifies:

45 (a) The applicable licensee; and



1 (b) The applicant,
2 ➔ that the Board suspends or objects to the temporary registration
3 of an applicant as a gaming employee, the licensee shall
4 immediately terminate the applicant from employment or reassign
5 him to a position that does not require registration as a gaming
6 employee. The notice of suspension or objection by the Board which
7 is sent to the applicant must include a statement of the facts upon
8 which the Board relied in making its suspension or objection.

9 ~~12.~~ **11.** Any person whose application for registration or
10 renewal of registration as a gaming employee has been suspended or
11 objected to by the Board may, not later than 60 days after receiving
12 notice of the suspension or objection, apply to the Board for a
13 hearing. A failure of a person whose application has been objected
14 to or suspended to apply for a hearing within 60 days or his failure
15 to appear at a hearing of the Board conducted pursuant to this
16 section shall be deemed to be an admission that the suspension or
17 objection is well-founded, and the failure precludes administrative
18 or judicial review. At the hearing, the Board shall take any
19 testimony deemed necessary. After the hearing, the Board shall
20 review the testimony taken and any other evidence, and shall, within
21 45 days after the date of the hearing, mail to the applicant its
22 decision sustaining or reversing the suspension or the objection to
23 the registration of the applicant as a gaming employee.

24 ~~13.~~ **12.** The Board may suspend or object to the registration
25 of an applicant as a gaming employee for any cause deemed
26 reasonable by the Board. The Board may object to or suspend the
27 registration if the applicant has:

28 (a) Failed to disclose or misstated information or otherwise
29 attempted to mislead the Board with respect to any material fact
30 contained in the application for registration as a gaming employee;

31 (b) Knowingly failed to comply with the provisions of this
32 chapter or chapter 463B, 464 or 465 of NRS or the regulations of
33 the Commission at a place of previous employment;

34 (c) Committed, attempted or conspired to commit any crime of
35 moral turpitude, embezzlement or larceny or any violation of any
36 law pertaining to gaming, or any crime which is inimical to the
37 declared policy of this State concerning gaming;

38 (d) Committed, attempted or conspired to commit a crime which
39 is a felony or gross misdemeanor in this State or an offense in
40 another state or jurisdiction which would be a felony or gross
41 misdemeanor if committed in this State and which relates to the
42 applicant's suitability or qualifications to work as a gaming
43 employee;



1 (e) Been identified in the published reports of any federal or
2 state legislative or executive body as being a member or associate of
3 organized crime, or as being of notorious and unsavory reputation;

4 (f) Been placed and remains in the constructive custody of any
5 federal, state or municipal law enforcement authority; or

6 (g) Had registration as a gaming employee revoked or
7 committed any act which is a ground for the revocation of
8 registration as a gaming employee or would have been a ground for
9 revoking registration as a gaming employee if the applicant had then
10 been registered as a gaming employee.

11 ➤ If the Board registers or does not suspend or object to the
12 registration of an applicant as a gaming employee, it may specially
13 limit the period for which the registration is valid, limit the job
14 classifications for which the registered gaming employee may be
15 employed and establish such individual conditions for the renewal
16 and effectiveness of the registration as the Board deems appropriate,
17 including required submission to unscheduled tests for the presence
18 of alcohol or controlled substances.

19 ~~{4}~~ 13. Any applicant aggrieved by the decision of the Board
20 may, within 15 days after the announcement of the decision, apply
21 in writing to the Commission for review of the decision. Review is
22 limited to the record of the proceedings before the Board. The
23 Commission may sustain, modify or reverse the Board's decision.
24 The decision of the Commission is subject to judicial review
25 pursuant to NRS 463.315 to 463.318, inclusive.

26 ~~{5}~~ 14. The Chairman of the Board may designate a member
27 of the Board or the Board may appoint a hearing examiner and
28 authorize that person to perform on behalf of the Board any of the
29 following functions required of the Board by this section concerning
30 the registration or renewal of registration of gaming employees:

31 (a) Conducting a hearing and taking testimony;

32 (b) Reviewing the testimony and evidence presented at the
33 hearing;

34 (c) Making a recommendation to the Board based upon the
35 testimony and evidence or rendering a decision on behalf of the
36 Board to sustain or reverse the suspension of or the objection to
37 the registration of an applicant as a gaming employee; and

38 (d) Notifying the applicant of the decision.

39 ~~{6}~~ 15. Notice by the Board as provided pursuant to
40 subsections 1 to ~~{5}~~ 14, inclusive, is sufficient if it is mailed to the
41 applicant's last known address as indicated on the application for
42 registration as a gaming employee or the record of the hearing, as
43 the case may be. The date of mailing may be proven by a certificate
44 signed by an officer or employee of the Board which specifies the
45 time the notice was mailed. The notice shall be deemed to have been



1 received by the applicant 5 days after it is deposited with the United
2 States Postal Service with the postage thereon prepaid.

3 ~~17.7~~ 16. Except as otherwise provided in this subsection, all
4 records acquired or compiled by the Board or Commission relating
5 to any application made pursuant to this section, all lists of persons
6 registered as gaming employees, all lists of persons suspended or
7 objected to by the Board and all records of the names or identity of
8 persons engaged in the gaming industry in this State are confidential
9 and must not be disclosed except in the proper administration of this
10 chapter or to an authorized law enforcement agency. Upon receipt of
11 a request from the Division of Welfare and Supportive Services of
12 the Department of Health and Human Services pursuant to NRS
13 425.400 for information relating to a specific person who has
14 applied for registration as a gaming employee or is registered as a
15 gaming employee, the Board shall disclose to the Division his social
16 security number, residential address and current employer as that
17 information is listed in the files and records of the Board. Any
18 record of the Board or Commission which shows that the applicant
19 has been convicted of a crime in another state must show whether
20 the crime was a misdemeanor, gross misdemeanor, felony or other
21 class of crime as classified by the state in which the crime was
22 committed. In a disclosure of the conviction, reference to the
23 classification of the crime must be based on the classification in the
24 state where it was committed.

25 ~~17.8~~ 17. If the Central Repository for Nevada Records of
26 Criminal History, in accordance with the provisions of NRS
27 179D.570, provides the Board with the name and other identifying
28 information of a registered gaming employee who is not in
29 compliance with the provisions of chapter 179D of NRS, the Board
30 shall notify the person that, unless he provides the Board with
31 verifiable documentation confirming that he is currently in
32 compliance with the provisions of chapter 179D of NRS within 15
33 days after receipt of such notice, the Board shall, notwithstanding
34 any other provisions of this section, conduct a hearing for the
35 purpose of determining whether the registration of the person as a
36 gaming employee must be suspended for noncompliance with the
37 provisions of chapter 179D of NRS.

38 ~~18.9~~ 18. Notwithstanding any other provisions of this section,
39 if a person notified by the Board pursuant to subsection ~~17.8~~ 17 does
40 not provide the Board, within the 15 days prescribed therein, with
41 verifiable documentation establishing that he is currently in
42 compliance with the provisions of chapter 179D of NRS, the
43 Chairman of the Board shall, within 10 days thereof, appoint a
44 hearing examiner to conduct a hearing to determine whether the
45 person is, in fact, not in compliance with the provisions of chapter



1 179D of NRS. The hearing examiner shall, within 5 days after the
2 date he is appointed by the Chairman, notify the person of the date
3 of the hearing. The hearing must be held within 20 days after the
4 date on which the hearing examiner is appointed by the Chairman,
5 unless administratively extended by the Chairman for good cause.
6 At the hearing, the hearing examiner may take any testimony
7 deemed necessary and shall render a decision sustaining or reversing
8 the findings of the Central Repository for Nevada Records of
9 Criminal History. The hearing examiner shall notify the person of
10 his decision within 5 days after the date on which the decision is
11 rendered. A failure of a person to appear at a hearing conducted
12 pursuant to this section shall be deemed to be an admission that the
13 findings of the hearing examiner are well-founded.

14 ~~[20.]~~ 19. If, after conducting the hearing prescribed in
15 subsection ~~[19.]~~ 18, the hearing examiner renders a decision that the
16 person who is the subject of the hearing:

17 (a) Is not in compliance with the provisions of chapter 179D of
18 NRS, the Board shall, notwithstanding any other provisions of this
19 section:

20 (1) Suspend the registration of the person as a gaming
21 employee;

22 (2) Notify the person to contact the Central Repository for
23 Nevada Records of Criminal History to determine the actions that he
24 must take to be in compliance with the provisions of chapter 179D
25 of NRS; and

26 (3) Notify the licensee for which the person is employed as a
27 gaming employee, in the manner prescribed in subsection ~~[21.]~~ 20,
28 that the Board has suspended the registration of the person as a
29 gaming employee and that the licensee must immediately terminate
30 the person from employment or reassign him to a position that does
31 not require registration as a gaming employee.

32 (b) Is in compliance with the provisions of chapter 179D of
33 NRS, the Board shall notify the person and the Central Repository
34 for Nevada Records of Criminal History, in the manner prescribed
35 in subsection ~~[21.]~~ 20, of the findings of the hearing examiner.

36 ~~[21.]~~ 20. Notice as provided pursuant to subsections ~~[18, 19~~
37 ~~and 20]~~ 17, 18 and 19 is sufficient if it is mailed to the person's last
38 known address as indicated on the most recent application for
39 registration as a gaming employee or the record of the hearing, or to
40 the person at his place of gaming employment. The date of mailing
41 may be proven by a certificate signed by an officer or employee of
42 the Board which specifies the time the notice was mailed. The
43 notice shall be deemed to have been received by the applicant 5
44 days after it is deposited with the United States Postal Service with
45 the postage thereon prepaid.



1 ~~{22.}~~ 21. The Board shall remove a suspension entered in
2 accordance with subsection ~~{20}~~ 19 and reinstate the registration of
3 a person as a gaming employee upon receipt of verifiable
4 documentation confirming that the person is currently in compliance
5 with the provisions of chapter 179D of NRS.

6 **Sec. 5.** NRS 463.337 is hereby amended to read as follows:

7 463.337 1. If any gaming employee ~~{or independent agent,}~~
8 who is registered as a gaming employee with the Board ~~{.}~~ is
9 convicted of any violation of this chapter or chapter 463B, 464 or
10 465 of NRS, or if in investigating an alleged violation of this chapter
11 by any licensee the Commission finds that a registered gaming
12 employee employed by ~~{or a registered independent agent}~~
13 ~~contracting with}~~ the licensee has been guilty of cheating, the
14 Commission shall, after a hearing as provided in NRS 463.310 and
15 463.312 to 463.3145, inclusive, revoke the registration.

16 2. The Commission may revoke the registration of a gaming
17 employee ~~{or independent agent}~~ if the Commission finds, after a
18 hearing as provided in NRS 463.310 and 463.312 to 463.3145,
19 inclusive, that the gaming employee ~~{or independent agent}~~ has
20 failed to disclose, misstated or otherwise misled the Board in respect
21 to any fact contained within any application for registration as a
22 gaming employee or, subsequent to being registered as a gaming
23 employee:

24 (a) Committed, attempted or conspired to do any of the acts
25 prohibited by this chapter or chapter 463B, 464 or 465 of NRS;

26 (b) Knowingly possessed or permitted to remain in or upon any
27 licensed premises any cards, dice, mechanical device or any other
28 cheating device whatever, the use of which is prohibited by statute
29 or ordinance;

30 (c) Concealed or refused to disclose any material fact in any
31 investigation by the Board;

32 (d) Committed, attempted or conspired to commit larceny or
33 embezzlement against a gaming licensee or upon the premises of a
34 licensed gaming establishment;

35 (e) Been convicted in any jurisdiction other than Nevada of any
36 offense involving or relating to gambling;

37 (f) Accepted employment without prior Commission approval in
38 a position for which he could be required to be licensed under this
39 chapter after having been denied a license for a reason involving
40 personal unsuitability or after failing to apply for licensing when
41 requested to do so by the Commission;

42 (g) Been refused the issuance of any license, permit or approval
43 to engage in or be involved with gaming or pari-mutuel wagering in
44 any jurisdiction other than Nevada, or had any such license, permit
45 or approval revoked or suspended;



1 (h) Been prohibited under color of governmental authority from
2 being present upon the premises of any gaming establishment or any
3 establishment where pari-mutuel wagering is conducted for any
4 reason relating to improper gambling activities or any illegal act;

5 (i) Contumaciously defied any legislative investigative
6 committee or other officially constituted bodies acting on behalf of
7 the United States or any state, county or municipality which seeks to
8 investigate crimes relating to gaming, corruption of public officials,
9 or any organized criminal activities; or

10 (j) Been convicted of any felony or gross misdemeanor, other
11 than one constituting a violation of this chapter or chapter 463B,
12 464 or 465 of NRS.

13 3. A gaming employee ~~for independent agent~~ whose
14 registration as a gaming employee has been revoked pursuant to this
15 section is entitled to judicial review of the Commission's action in
16 the manner prescribed by NRS 463.315 to 463.318, inclusive.

17 4. Nothing in this section limits or prohibits the enforcement of
18 NRS 463.165, 463.560, 463.595, 463.637 or 463.645.

19 **Sec. 6.** NRS 463.4862 is hereby amended to read as follows:

20 463.4862 "Limited-liability company" means a limited-liability
21 company organized and existing pursuant to the provisions of
22 chapter 86 of NRS ~~§~~ *or formed under the laws of any jurisdiction*
23 *other than this State.*

24 **Sec. 7.** NRS 463.4864 is hereby amended to read as follows:

25 463.4864 "Limited partnership" means a partnership formed by
26 two or more persons pursuant to the terms of chapter 88 of NRS ~~§~~
27 *or the laws of any state other than this State*, having as members
28 one or more general partners and one or more limited partners.

29 **Sec. 8.** NRS 463.4865 is hereby amended to read as follows:

30 463.4865 "Limited partnership interest" means the right of a
31 general or limited partner to receive from a limited partnership:

32 1. A share of the profits;

33 2. Any other compensation by way of income; or

34 3. A return of any or all of his contribution to capital of the
35 limited partnership,

36 ➤ or the right to exercise any of the rights or powers provided in
37 chapter 88 of NRS ~~§~~ *or the laws of any state other than this State*,
38 whether directly or indirectly.

39 **Sec. 9.** NRS 463.505 is hereby amended to read as follows:

40 463.505 1. The purported granting of an option to purchase
41 any security issued by a corporation, other than a publicly traded
42 corporation, which holds a state gaming license ~~§~~ *or which is a*
43 *holding company for an entity that holds a state gaming license* or
44 the purported sale, assignment, transfer, pledge or other disposition



1 of an existing option to acquire such a security is void unless
2 administratively approved in advance by the Chairman of the Board.

3 2. A request for administrative approval pursuant to subsection
4 I must:

5 (a) Be made on forms approved by the Chairman of the Board;
6 and

7 (b) To the extent consistent with this section, be considered in
8 all respects as an application.

9 3. The Chairman of the Board may refer a request for
10 administrative approval to the Board and Commission for
11 consideration or deny the request for administrative approval for any
12 reasonable cause. A denial may be submitted for review by the
13 Board and Commission in the manner set forth by the regulations of
14 the Commission pertaining to the review of administrative approval
15 decisions.

16 4. The Commission, upon recommendation by the Board, may
17 require a person to apply for a finding of suitability to hold an
18 option to purchase such a security.

19 **Sec. 10.** NRS 463.564 is hereby amended to read as follows:

20 463.564 In order to be eligible to receive a state gaming
21 license, a limited partnership shall:

22 1. ~~Be formed under the laws of this State;~~

23 ~~—2.]~~ Maintain an office of the limited partnership on the licensed
24 premises;

25 ~~[3.]~~ 2. Comply with all of the requirements of the laws of this
26 State pertaining to limited partnerships; and

27 ~~[4.]~~ 3. Maintain a ledger in the principal office of the limited
28 partnership in this State, which must:

29 (a) At all times reflect the ownership of all interests in the
30 limited partnership; and

31 (b) Be available for inspection by the Board, Commission and
32 their authorized agents, at all reasonable times without notice.

33 **Sec. 11.** NRS 463.5665 is hereby amended to read as follows:

34 463.5665 1. The purported granting of an option to purchase
35 any interest in a limited partnership which holds a state gaming
36 license *or which is a holding company for an entity that holds a*
37 *state gaming license* or the purported sale, assignment, transfer,
38 pledge or other disposition of an existing option to acquire such an
39 interest is ~~ineffective] void~~ unless administratively approved in
40 advance by the Chairman of the Board.

41 2. A request for administrative approval pursuant to subsection
42 I must:

43 (a) Be made on forms approved by the Chairman of the Board;
44 and



1 (b) To the extent consistent with this section, be considered in
2 all respects as an application.

3 3. The Chairman of the Board may refer a request for
4 administrative approval to the Board and Commission for
5 consideration or deny the request for administrative approval for any
6 reasonable cause. A denial may be submitted for review by the
7 Board and Commission in the manner set forth by the regulations of
8 the Commission pertaining to the review of administrative approval
9 decisions.

10 4. The Commission, upon recommendation by the Board, may
11 require a person to apply for a finding of suitability to hold an
12 option to purchase such an interest.

13 **Sec. 12.** NRS 463.567 is hereby amended to read as follows:

14 463.567 1. The purported sale, assignment, transfer, pledge,
15 exercise of an option to purchase, or other disposition of any interest
16 in a limited partnership which holds a state gaming license *or which*
17 *is a holding company for an entity that holds a state gaming*
18 *license* is ~~ineffective~~ void unless approved in advance by the
19 Commission.

20 2. If at any time the Commission finds that an individual owner
21 of any such interest is unsuitable to hold that interest, the
22 Commission shall immediately notify the limited partnership of that
23 fact. The limited partnership shall, within 10 days ~~from~~ *after*
24 the date that it receives the notice from the Commission, return to the
25 unsuitable owner, in cash, the amount of his capital account as
26 reflected on the books of the partnership.

27 3. Beginning on the date when the Commission serves notice
28 of a determination of unsuitability pursuant to subsection 2 upon the
29 limited partnership, it is unlawful for the unsuitable owner:

30 (a) To receive any share of the profits or interest upon any
31 limited partnership interest;

32 (b) To exercise, directly or through any trustee or nominee, any
33 voting right conferred by such interest; or

34 (c) To receive any remuneration in any form from the limited
35 partnership, for services rendered or otherwise.

36 4. The certificate of limited partnership of any limited
37 partnership holding a state gaming license must contain a statement
38 of the restrictions imposed by this section.

39 **Sec. 13.** NRS 463.5731 is hereby amended to read as follows:

40 463.5731 In order to be eligible to receive a license, a limited-
41 liability company must:

42 1. ~~Be formed under the laws of this State;~~

43 ~~—2.~~ Maintain an office of the limited-liability company on the
44 licensed premises;



1 ~~[3-]~~ 2. Comply with all of the requirements of the laws of this
2 State pertaining to limited-liability companies; and

3 ~~[4-]~~ 3. Maintain a ledger in the principal office of the limited-
4 liability company in this State, which must:

5 (a) At all times reflect the ownership of all interests in the
6 limited-liability company; and

7 (b) Be available for inspection by the Board, Commission and
8 their authorized agents, at all reasonable times without notice.

9 **Sec. 14.** NRS 463.57325 is hereby amended to read as
10 follows:

11 463.57325 1. The purported granting of an option to purchase
12 any interest in a limited-liability company which holds a state
13 gaming license *or which is a holding company for an entity that*
14 *holds a state gaming license* or the purported sale, assignment,
15 transfer, pledge or other disposition of an existing option to acquire
16 such an interest is ~~[ineffective]~~ *void* unless administratively
17 approved in advance by the Chairman of the Board.

18 2. A request for administrative approval pursuant to subsection
19 1 must:

20 (a) Be made on forms approved by the Chairman of the Board;
21 and

22 (b) To the extent consistent with this section, be considered in
23 all respects as an application.

24 3. The Chairman of the Board may refer a request for
25 administrative approval to the Board and Commission for
26 consideration or deny the request for administrative approval for any
27 reasonable cause. A denial may be submitted for review by the
28 Board and Commission in the manner set forth by the regulations of
29 the Commission pertaining to the review of administrative approval
30 decisions.

31 4. The Commission, upon recommendation by the Board, may
32 require a person to apply for a finding of suitability to hold an
33 option to purchase such an interest.

34 **Sec. 15.** NRS 463.5733 is hereby amended to read as follows:

35 463.5733 1. The purported sale, assignment, transfer, pledge,
36 exercise of an option to purchase , or other disposition of any
37 interest in a limited-liability company which holds a state gaming
38 license *or which is a holding company for an entity that holds a*
39 *state gaming license* is ~~[ineffective]~~ *void* unless approved in
40 advance by the Commission.

41 2. If at any time the Commission finds that a member is
42 unsuitable to hold an interest in a limited-liability company, the
43 Commission shall immediately notify the limited-liability company
44 of that fact. The limited-liability company shall, within 10 days after
45 it receives the notice from the Commission, return to the member, in



1 cash, the amount of his capital account as reflected on the books of
2 the company.

3 3. Except as otherwise provided in subsection 2, beginning on
4 the date when the Commission serves notice of a determination of
5 unsuitability pursuant to subsection 2 upon the limited-liability
6 company, it is unlawful for the unsuitable member:

7 (a) To receive any share of the distribution of profits of the
8 limited-liability company or any payments upon dissolution of the
9 company;

10 (b) To exercise any voting right conferred by the member's
11 interest in the limited-liability company;

12 (c) To participate in the management of the limited-liability
13 company; or

14 (d) To receive any remuneration in any form from the limited-
15 liability company, for services rendered or otherwise.

16 4. The articles of organization of any limited-liability company
17 holding a state gaming license must contain a statement of the
18 restrictions imposed by this section.

19 **Sec. 16.** NRS 463.645 is hereby amended to read as follows:

20 463.645 1. If any person who is required by or pursuant to
21 this chapter to be licensed or found suitable because of his
22 connection with a corporation, partnership, limited partnership,
23 limited-liability company or other business organization holding a
24 license, or a holding company or intermediary company, including a
25 publicly traded corporation, fails to apply for a license or a finding
26 of suitability after being requested to do so by the Commission or is
27 denied a license or a finding of suitability, or if his license or finding
28 of suitability is revoked, and his name has been placed on the list
29 maintained pursuant to subsection 8 of NRS 463.165, the
30 corporation, partnership, limited partnership, limited-liability
31 company, business organization, holding company, intermediary
32 company or any person who directly or indirectly controls, is
33 controlled by or is under common control with the corporation,
34 partnership, limited partnership, limited-liability company, business
35 organization, holding company or intermediary company shall not,
36 *and any licensee or an affiliate of the licensee shall not*, after
37 receipt of written notice from the Commission:

38 (a) Pay him any remuneration for any service relating to the
39 activities of a licensee, except for amounts due for services rendered
40 before the date of receipt of notice of such action by the
41 Commission. Any contract or agreement for personal services or the
42 conduct of any activity at a licensed gaming establishment between
43 a former employee whose employment was terminated because of
44 failure to apply for a license or a finding of suitability, denial of a
45 license or finding of suitability, or revocation of a license or a



1 finding of suitability, or any business enterprise under the control of
2 that employee and the licensee, holding or intermediary company or
3 registered publicly traded corporation is subject to termination.
4 Every such agreement shall be deemed to include a provision for its
5 termination without liability on the part of the licensee upon a
6 finding by the Commission that the business or any person
7 associated therewith is unsuitable to be associated with a gaming
8 enterprise. Failure expressly to include such a condition in the
9 agreement is not a defense in any action brought pursuant to this
10 section to terminate the agreement.

11 (b) Enter into any contract or agreement with him or with a
12 business organization that the licensee knows or under the
13 circumstances reasonably should know is under his control which
14 involves the operations of a licensee, without the prior approval of
15 the Commission.

16 (c) Employ him in any position involving the activities of a
17 licensee without prior approval of the Commission.

18 2. The name of any person who has been denied a license, been
19 found unsuitable or had a license or finding of suitability revoked
20 pursuant to subsection 1 must be included on the list required
21 pursuant to subsection 8 of NRS 463.165.

22 **Sec. 17.** NRS 464.020 is hereby amended to read as follows:

23 464.020 1. The Nevada Gaming Commission is charged with
24 the administration of this chapter for the protection of the public and
25 in the public interest.

26 2. The Nevada Gaming Commission may issue licenses
27 permitting the conduct of the pari-mutuel system of wagering,
28 including off-track pari-mutuel wagering, and may adopt, amend
29 and repeal regulations relating to the conduct of such wagering.

30 3. The wagering must be conducted only by the licensee at the
31 times determined by the Nevada Gaming Commission and only:

32 (a) Within the enclosure wherein the race or other sporting event
33 which is the subject of the wagering occurs; or

34 (b) Within a licensed gaming establishment which has been
35 approved to conduct off-track pari-mutuel wagering.

36 ➤ This subsection does not prohibit a person licensed to accept,
37 pursuant to regulations adopted by the Nevada Gaming
38 Commission, off-track pari-mutuel wagers from accepting wagers
39 made by wire communication from patrons within the State of
40 Nevada, from other states in which such wagering is legal or from
41 places outside the United States in which such wagering is legal.

42 *This subsection does not prohibit a patron within the State of*
43 *Nevada from placing off-track pari-mutuel wagers by wire*
44 *communication in other states in which such wagering is legal or*
45 *in places outside the United States in which such wagering is*



1 *legal, if such wagers are placed in compliance with all applicable*
2 *laws and regulations of the state or place outside the United*
3 *States.*

4 4. The regulations of the Nevada Gaming Commission may
5 include, without limitation:

6 (a) Requiring fingerprinting of an applicant or licensee, or other
7 method of identification.

8 (b) Requiring information concerning an applicant's
9 antecedents, habits and character.

10 (c) Prescribing the method and form of application which any
11 applicant for a license issued pursuant to this chapter must follow
12 and complete before consideration of his application by the Nevada
13 Gaming Commission.

14 (d) Prescribing the permissible communications technology and
15 requiring the implementation of border control technology that will
16 ensure that a person cannot place a wager with a race book in this
17 State from another state or another location where placing such a
18 wager is illegal.

19 5. The Nevada Gaming Commission may appoint an Off-Track
20 Pari-Mutuel Wagering Committee consisting of 11 persons who are
21 licensed to engage in off-track pari-mutuel wagering. If the
22 Commission appoints such a Committee, it shall appoint to the
23 Committee:

24 (a) Five members from a list of nominees provided by the State
25 Association of Gaming Establishments whose members collectively
26 paid the most gross revenue fees to the State pursuant to NRS
27 463.370 in the preceding year;

28 (b) Three members who, in the preceding year, paid gross
29 revenue fees pursuant to NRS 463.370 in an amount that was less
30 than the average amount of gross revenue fees paid by licensees
31 engaged in off-track pari-mutuel wagering in the preceding year;
32 and

33 (c) Three other members.

34 ➔ If a vacancy occurs in a position on the Committee for any
35 reason, including, but not limited to, termination of a member, the
36 Commission shall appoint a successor member who satisfies the
37 same criteria in paragraph (a), (b) or (c) that applied to the member
38 whose position has been vacated.

39 6. If the Nevada Gaming Commission appoints an Off-Track
40 Pari-Mutuel Wagering Committee pursuant to subsection 5, the
41 Commission shall:

42 (a) Grant to the Off-Track Pari-Mutuel Wagering Committee the
43 exclusive right to negotiate an agreement relating to off-track pari-
44 mutuel wagering with:



1 (1) A person who is licensed or otherwise permitted to
2 operate a wagering pool in another state; and

3 (2) A person who is licensed pursuant to chapter 464 of NRS
4 as an operator of a system.

5 (b) Require the Off-Track Pari-Mutuel Wagering Committee to
6 grant to each person licensed pursuant to this chapter to operate an
7 off-track pari-mutuel race pool the right to receive, on a fair and
8 equitable basis, all services concerning wagering in such a race pool
9 that the Committee has negotiated to bring into or provide within
10 this State.

11 7. The Nevada Gaming Commission shall, and it is granted the
12 power to, demand access to and inspect all books and records of any
13 person licensed pursuant to this chapter pertaining to and affecting
14 the subject of the license.

15 **Sec. 18.** NRS 465.080 is hereby amended to read as follows:

16 465.080 1. It is unlawful for any licensee, employee or other
17 person , *not a duly authorized employee of a licensee acting in
18 furtherance of his employment within an establishment, to
19 possess, use , sell or manufacture* counterfeit chips, counterfeit
20 debit instruments or other counterfeit wagering instruments in a
21 gambling game, associated equipment or a cashless wagering
22 system.

23 2. *It is unlawful for any licensee, employee or other person,
24 not a duly authorized employee of a licensee acting in furtherance
25 of his employment within an establishment, to possess, use, sell or
26 manufacture any counterfeit instruments, counterfeit tickets or
27 other counterfeit items that are used to determine the outcome of
28 any contest or promotional activity conducted by or on behalf of
29 any licensee.*

30 3. It is unlawful for any person, in playing or using any
31 gambling game, associated equipment or cashless wagering system
32 designed to be played with, receive or be operated by chips, tokens,
33 wagering credits or other wagering instruments approved by the
34 State Gaming Control Board or by lawful coin of the United States
35 of America:

36 (a) Knowingly to use other than chips, tokens, wagering credits
37 or other wagering instruments approved by the State Gaming
38 Control Board or lawful coin, legal tender of the United States of
39 America, or to use coin or tokens not of the same denomination as
40 the coin or tokens intended to be used in that gambling game,
41 associated equipment or cashless wagering system; or

42 (b) To use any device or means to violate the provisions of this
43 chapter.

44 ~~3-~~ 4. It is unlawful for any person, not a duly authorized
45 employee of a licensee acting in furtherance of his employment



1 within an establishment, to have on his person or in his possession
2 on or off the premises of any licensed gaming establishment any
3 device intended to be used to violate the provisions of this chapter.

4 ~~[4-]~~ 5. It is unlawful for any person, not a duly authorized
5 employee of a licensee acting in furtherance of his employment
6 within an establishment, to have on his person or in his possession
7 on or off the premises of any licensed gaming establishment any key
8 or device known to have been designed for the purpose of and
9 suitable for opening, entering or affecting the operation of any
10 gambling game, cashless wagering system or drop box, or any
11 electronic or mechanical device connected thereto, or for removing
12 money or other contents therefrom.

13 ~~[5-]~~ 6. It is unlawful for any person , *not a duly authorized*
14 *employee of a licensee acting in furtherance of his employment*
15 *within an establishment*, to have on his person or in his possession
16 any paraphernalia for manufacturing slugs. As used in this
17 subsection, “paraphernalia for manufacturing slugs” means the
18 equipment, products and materials that are intended for use or
19 designed for use in manufacturing, producing, fabricating,
20 preparing, testing, analyzing, packaging, storing or concealing a
21 counterfeit facsimile of the chips, tokens, debit instruments or other
22 wagering instruments approved by the State Gaming Control Board
23 or a lawful coin of the United States, the use of which is unlawful
24 pursuant to subsection ~~[2-]~~ 3. The term includes, but is not limited
25 to:

- 26 (a) Lead or lead alloys;
27 (b) Molds, forms or similar equipment capable of producing a
28 likeness of a gaming token or United States coin;
29 (c) Melting pots or other receptacles;
30 (d) Torches;
31 (e) Tongs, trimming tools or other similar equipment; and
32 (f) Equipment which can be reasonably demonstrated to
33 manufacture facsimiles of debit instruments or wagering instruments
34 approved by the State Gaming Control Board.

35 ~~[6-]~~ 7. Possession of more than one of the devices, equipment,
36 products or materials described in this section permits a rebuttable
37 inference that the possessor intended to use them for cheating.

38 **Sec. 19.** NRS 465.094 is hereby amended to read as follows:

39 465.094 The provisions of NRS 465.092 and 465.093 do not
40 apply to a wager placed by a person for his own benefit or, without
41 compensation, for the benefit of another that is accepted or received
42 by, placed with, or sent, transmitted or relayed to:

43 1. A race book or sports pool that is licensed pursuant to
44 chapter 463 of NRS, if the wager is accepted or received within this



1 State and otherwise complies with all other applicable laws and
2 regulations concerning wagering;

3 2. A person who is licensed to engage in off-track pari-mutuel
4 wagering pursuant to chapter 464 of NRS, if the wager is accepted
5 or received within this State and otherwise complies with subsection
6 3 of NRS 464.020 and all other applicable laws and regulations
7 concerning wagering;

8 3. *A person who is licensed to accept off-track pari-mutuel*
9 *horse race wagers in another state in which such wagering is legal*
10 *or in a place outside the United States in which such wagering is*
11 *legal, if such wagering complies with all applicable laws and*
12 *regulations of the state or place outside the United States;*

13 4. A person who is licensed to operate a mobile gaming system
14 pursuant to chapter 463 of NRS, if the wager is accepted or received
15 within this State and otherwise complies with all other applicable
16 laws and regulations concerning wagering; or

17 ~~[4.]~~ 5. Any other person or establishment that is licensed to
18 engage in wagering pursuant to title 41 of NRS, if the wager is
19 accepted or received within this State and otherwise complies with
20 all other applicable laws and regulations concerning wagering.

21 **Sec. 20.** 1. This section and section 18 of this act become
22 effective upon passage and approval.

23 2. Sections 1 to 17, inclusive, and 19 of this act become
24 effective on July 1, 2007.



