

MOCK-UP

PROPOSED AMENDMENT 7347 TO
SENATE BILL NO. 266

PREPARED FOR SENATOR LIPPARELLI
MAY 16, 2015

PREPARED BY THE LEGAL DIVISION

NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE OFFICIAL AMENDMENT MAY DIFFER.

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

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

- 1 **Section 1. Chapter 368A of NRS is hereby amended by adding**
2 **thereto the provisions set forth as sections 1.1 and 1.2 of this act.**
3 **Sec. 1.1. "Promoter" has the meaning ascribed to it in NRS**
4 **467.0104.**
5 **Sec. 1.2. "Unarmed combat" has the meaning ascribed to it in NRS**
6 **467.0107.**
7 **Sec. 1.3. NRS 368A.010 is hereby amended to read as follows:**
8 368A.010 As used in this chapter, unless the context otherwise
9 requires, the words and terms defined in NRS 368A.020 to 368A.115,
10 inclusive, **and sections 1.1 and 1.2 of this act** have the meanings ascribed
11 to them in those sections.
12 **Sec. 1.4. NRS 368A.020 is hereby amended to read as follows:**
13 368A.020 **I.** "Admission charge" means the total amount,
14 expressed in terms of money, of consideration paid for the right or
15 privilege to **enter or** have access to a facility where live entertainment is
16 provided. ~~The~~

1 2. Except as otherwise provided in NRS 368A.200 or other specific
 2 statute, the term includes, without limitation, an entertainment fee, a cover
 3 charge, a table reservation fee, ~~for~~ a required minimum purchase of food,
 4 ~~refreshments~~ beverages or merchandise ~~for~~, a service charge or any
 5 other fee or charge that is paid in connection with the purchase of
 6 admission to a facility where live entertainment is provided.

7 ~~Section 1.5.~~ **Sec. 1.5.** NRS 368A.060 is hereby amended to read as
 8 follows:

9 368A.060 ~~[1.]~~ “Facility” means ~~[:~~
 10 ~~—(a) Any] any~~ area or premises where live entertainment is provided and
 11 for which consideration is collected for the right or privilege of entering
 12 that area or those premises . ~~[if the live entertainment is provided at:~~
 13 ~~—(1) An establishment that is not a licensed gaming establishment; or~~
 14 ~~—(2) A licensed gaming establishment that is licensed for less than 51~~
 15 ~~slot machines, less than 6 games, or any combination of slot machines and~~
 16 ~~games within those respective limits;~~

17 ~~—(b) Any area or premises where live entertainment is provided if the~~
 18 ~~live entertainment is provided at any other licensed gaming establishment.~~

19 ~~—2. “Facility” encompasses, if live entertainment is provided at a~~
 20 ~~licensed gaming establishment that is licensed for:~~

21 ~~—(a) Less than 51 slot machines, less than 6 games, or any combination~~
 22 ~~of slot machines and games within those respective limits, any area or~~
 23 ~~premises where the live entertainment is provided and for which~~
 24 ~~consideration is collected, from one or more patrons, for the right or~~
 25 ~~privilege of entering that area or those premises, even if additional~~
 26 ~~consideration is collected for the right or privilege of entering a smaller~~
 27 ~~venue within that area or those premises; or~~

28 ~~—(b) At least 51 slot machines or at least 6 games, any designated area~~
 29 ~~on the premises of the licensed gaming establishment within which the live~~
 30 ~~entertainment is provided.]~~

31 **Sec. 2.** NRS 368A.090 is hereby amended to read as follows:

32 368A.090 1. “Live entertainment” means any activity provided for
 33 pleasure, enjoyment, recreation, relaxation, diversion or other similar
 34 purpose by a person or persons who are physically present when providing
 35 that activity to a patron or group of patrons who are physically present.

36 2. The term:

37 (a) Includes, without limitation, any one or more of the following
 38 activities:

39 (1) Music or vocals provided by one or more professional or
 40 amateur musicians or vocalists;

41 (2) Dancing performed by one or more professional or amateur
 42 dancers or performers;

43 (3) Acting or drama provided by one or more professional or
 44 amateur actors or players;

1 (4) Acrobatics or stunts provided by one or more professional or
2 amateur acrobats, performers or stunt persons;

3 (5) Animal stunts or performances induced by one or more animal
4 handlers or trainers, except as otherwise provided in subparagraph ~~{(7)}~~ (3)
5 of paragraph (b);

6 (6) Athletic or sporting contests, events or exhibitions provided by
7 one or more professional or amateur athletes, sportsmen or sportswomen;

8 (7) Comedy or magic provided by one or more professional or
9 amateur comedians, magicians, illusionists, entertainers or performers;

10 (8) A show or production involving any combination of the
11 activities described in subparagraphs (1) to (7), inclusive; and

12 (9) A performance involving one or more of the activities described
13 in this paragraph by a disc jockey who presents recorded music. For the
14 purposes of this subparagraph, a disc jockey shall not be deemed to have
15 engaged in a performance involving one or more of the activities described
16 in this paragraph if the disc jockey generally limits his or her interaction
17 with patrons to introducing the recorded music, making announcements of
18 general interest to patrons, and explaining, encouraging or directing
19 participatory activities between patrons.

20 (b) Excludes, without limitation, any one or more of the following
21 activities:

22 (1) ~~[Instrumental or vocal music, which may or may not be
23 supplemented with commentary by the musicians, in a restaurant, lounge
24 or similar area if such music does not routinely rise to the volume that
25 interferes with casual conversation and if such music would not generally
26 cause patrons to watch as well as listen;~~

27 ~~—— (2) Occasional performances by employees whose primary job
28 function is that of preparing, selling or serving food, refreshments or
29 beverages to patrons, if such performances are not advertised as
30 entertainment to the public;~~

31 ~~—— (3) Performances by performers of any type if the performancee
32 occurs in a licensed gaming establishment other than a licensed gaming
33 establishment that is licensed for less than 51 slot machines, less than 6
34 games, or any combination of slot machines and games within those
35 respective limits, as long as the performers stroll continuously throughout
36 the facility;~~

37 ~~—— (4) Performances in areas other than in nightclubs, lounges,
38 restaurants or showrooms, if the performances occur in a licensed gaming
39 establishment other than a licensed gaming establishment that is licensed
40 for less than 51 slot machines, less than 6 games, or any combination of
41 slot machines and games within those respective limits, which enhance the
42 theme of the establishment or attract patrons to the areas of the
43 performances, as long as any seating provided in the immediate area of the
44 performers is limited to seating at slot machines or gaming tables;~~

- 1 ~~— (5) Television, radio, closed circuit or Internet broadcasts of live~~
- 2 ~~entertainment;~~
- 3 ~~— (6) (2) Entertainment provided by a patron or patrons, including,~~
- 4 ~~without limitation, singing by patrons or dancing by or between patrons;~~
- 5 ~~— (7) and~~
- 6 ~~(3) Animal behaviors induced by animal trainers or caretakers~~
- 7 ~~primarily for the purpose of education and scientific research. ~~— and~~~~
- 8 ~~— (8) An occasional activity, including, without limitation, dancing,~~
- 9 ~~that:~~
- 10 ~~— (I) Does not constitute a performance;~~
- 11 ~~— (II) Is not advertised as entertainment to the public;~~
- 12 ~~— (III) Primarily serves to provide ambience to the facility; and~~
- 13 ~~— (IV) Is conducted by an employee whose primary job function is~~
- 14 ~~not that of an entertainer.]~~

15 **Sec. 2.1. NRS 368A.110 is hereby amended to read as follows:**
 16 368A.110 “Taxpayer” means:
 17 1. ~~—~~ **Except as otherwise provided in subsection 4, if** live
 18 entertainment that is taxable under this chapter is provided at a licensed
 19 gaming establishment, the person licensed to conduct gaming at that
 20 establishment.
 21 2. Except as otherwise provided in ~~[subsection]~~ **subsections 3, ~~—~~ and**
 22 **4,** if live entertainment that is taxable under this chapter is not provided at
 23 a licensed gaming establishment, the owner or operator of the facility
 24 where the live entertainment is provided.
 25 3. ~~—~~ **Except as otherwise provided in subsection 4, if** live
 26 entertainment that is taxable under this chapter is provided at a publicly
 27 owned facility or on public land, the person who collects the taxable
 28 receipts.
 29 **4. If the live entertainment that is taxable under this chapter**
 30 **consists of any professional contest or exhibition of unarmed combat**
 31 **governed by the provisions of chapter 467 of NRS, the promoter of the**
 32 **contest or exhibition.**

33 **Sec. 3.** NRS 368A.200 is hereby amended to read as follows:
 34 368A.200 1. Except as otherwise provided in this section, there is
 35 hereby imposed an excise tax on admission to any facility in this State
 36 where live entertainment is provided. ~~— If the live entertainment is provided~~
 37 ~~at a facility with a maximum occupancy of:~~
 38 ~~— (a) Less than 7,500 persons, the rate of the tax is 10] , **at the rate of 8.5**~~
 39 ~~percent of the admission charge to the facility. ~~— plus 10 percent of any~~~~
 40 ~~amounts paid for food, refreshments and merchandise purchased at the~~
 41 ~~facility.~~
 42 ~~— (b) At least 7,500 persons, the rate of the tax is 5 percent of the~~
 43 ~~admission charge to the facility.]~~
 44 2. Amounts paid for:

1 (a) Admission charges collected and retained by a nonprofit religious,
2 charitable, fraternal or other organization that qualifies as a tax-exempt
3 organization pursuant to 26 U.S.C. § 501(c), or by a nonprofit corporation
4 organized or existing under the provisions of chapter 82 of NRS, are not
5 taxable pursuant to this section.

6 (b) Gratuities directly or indirectly remitted to persons employed at a
7 facility where live entertainment is provided ~~for for service charges,~~
8 ~~including those imposed in connection with the use of credit cards or debit~~
9 ~~cards, which are collected and retained by persons other than the taxpayer,~~
10 are not taxable pursuant to this section.

11 (c) Fees imposed, collected and retained by an independent financial
12 institution in connection with the use of credit cards or debit cards to pay
13 the admission charge to a facility where live entertainment is provided,
14 or to purchase food, beverages or merchandise in the facility, are not
15 taxable pursuant to this section. As used in this paragraph, "independent
16 financial institution" means a financial institution that is not an affiliate
17 of the taxpayer, an owner or operator of the facility where the live
18 entertainment is provided or an affiliate of any of those persons.

19 (d) Service charges paid by patrons for the convenience of
20 purchasing admission to a facility where live entertainment is provided,
21 by means other than appearing in person at a box office at the facility or
22 on the premises of the taxpayer, are not taxable pursuant to this section
23 if the charges are collected and retained by a person other than the
24 taxpayer, an owner or operator of the facility or an affiliate of any of
25 those persons.

26 3. A business entity that collects any amount that is taxable pursuant
27 to subsection 1 is liable for the tax imposed, but is entitled to collect
28 reimbursement from any person paying that amount.

29 4. Any ticket for live entertainment must state whether the tax
30 imposed by this section is included in the price of the ticket. If the ticket
31 does not include such a statement, the taxpayer shall pay the tax based on
32 the face amount of the ticket.

33 5. The tax imposed by subsection 1 does not apply to:

34 (a) Live entertainment that this State is prohibited from taxing under
35 the Constitution, laws or treaties of the United States or the Nevada
36 Constitution.

37 (b) Live entertainment that is provided by or entirely for the benefit of
38 a nonprofit religious, charitable, fraternal or other organization that
39 qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c), or a
40 nonprofit corporation organized or existing under the provisions of chapter
41 82 of NRS.

42 (c) ~~Any boxing contest or exhibition governed by the provisions of~~
43 ~~chapter 467 of NRS.~~

1 ~~[(d)]~~ Live entertainment that is not provided at a licensed gaming
2 establishment if the facility in which the live entertainment is provided ~~at~~
3 ~~a facility that~~ has a maximum occupancy of less than 200 persons.

4 ~~[(e)]~~ (d) Live entertainment that is provided at a licensed gaming
5 establishment that is licensed for less than 51 slot machines, less than 6
6 games, or any combination of slot machines and games within those
7 respective limits, if the facility in which the live entertainment is provided
8 has a maximum occupancy of less than 200 persons.

9 ~~[(f)]~~ (e) Merchandise sold outside the facility in which the live
10 entertainment is provided, unless the purchase of the merchandise entitles
11 the purchaser to admission to the entertainment.

12 ~~[(g)]~~ (f) Live entertainment that is provided at a trade show.

13 ~~[(h)]~~ (g) Music performed by musicians who move constantly through
14 the audience if no other form of live entertainment is afforded to the
15 patrons.

16 ~~[(i)]~~ ~~[(g)]~~ (h) Live entertainment that is provided at a licensed gaming
17 establishment at private meetings or dinners attended by members of a
18 particular organization or by a casual assemblage if the purpose of the
19 event is not primarily for entertainment.

20 ~~[(j)]~~ (i) Live entertainment that is provided in the common area of a
21 shopping mall, unless the entertainment is provided in a facility located
22 within the mall.

23 ~~[(k)]~~ (j) Food and product demonstrations provided at a shopping mall,
24 a craft show or an establishment that sells grocery products, housewares,
25 hardware or other supplies for the home.

26 ~~[(l)]~~ (k) Live entertainment that is incidental to an amusement ride, a
27 motion simulator or a similar digital, electronic, mechanical or
28 electromechanical attraction. For the purposes of this paragraph, live
29 entertainment shall be deemed to be incidental to an amusement ride, a
30 motion simulator or a similar digital, electronic, mechanical or
31 electromechanical attraction if the live entertainment is:

32 (1) Not the predominant element of the attraction; and

33 (2) Not the primary purpose for which the public rides, attends or
34 otherwise participates in the attraction.

35 ~~[(m)]~~ Live entertainment that is provided to the public in an outdoor
36 area, without any requirements for the payment of an admission charge or
37 the purchase of any food, refreshments or merchandise.

38 ~~[(n)]~~ (h) An outdoor concert, unless the concert is provided on the
39 premises of a licensed gaming establishment.

40 ~~[(o)]~~ (i) Beginning July 1, 2007, race events]

41 (l) A race scheduled at a race track in this State ~~[as a part of]~~ and
42 sanctioned by the National Association for Stock Car Auto Racing ~~[Nextel~~
43 ~~Cup Series, or its successor racing series, and all races associated~~
44 ~~therewith.~~

1 ~~=(p) (j) Beginning July 1, 2007, a]~~ if two or more such races are held
2 at that race track during the same calendar year.

3 (m) A baseball contest, event or exhibition conducted by professional
4 minor league baseball players at a stadium in this State.

5 ~~[(q) Live entertainment provided in a restaurant which is incidental to~~
6 ~~any other activities conducted in the restaurant or which only serves as~~
7 ~~ambience so long as there is no charge to the patrons for that~~
8 ~~entertainment.~~

9 ~~=6. The Commission may adopt regulations establishing a procedure~~
10 ~~whereby a taxpayer that is a licensed gaming establishment may request an~~
11 ~~exemption from the tax pursuant to paragraph (q) of subsection 5. The~~
12 ~~regulations must require the taxpayer to seek an administrative ruling from~~
13 ~~the _____ Chair _____ of~~
14 ~~the Board, provide a procedure for appealing that ruling to the Commission~~
15 ~~and further describe the forms of incidental or ambient entertainment~~
16 ~~exempted pursuant to that paragraph.~~

17 ~~— 7.] 6. As used in this section, [“maximum occupancy” means, in~~
18 ~~the following order of priority:~~

19 ~~—(a) The maximum occupancy of the facility in which live entertainment~~
20 ~~is provided, as determined by the State Fire Marshal or the local~~
21 ~~governmental agency that has the authority to determine the maximum~~
22 ~~occupancy of the facility;~~

23 ~~—(b) If such a maximum occupancy has not been determined, the~~
24 ~~maximum occupancy of the facility designated in any permit required to be~~
25 ~~obtained in order to provide the live entertainment; or~~

26 ~~—(c) If such a permit does not designate the maximum occupancy of the~~
27 ~~facility, the actual seating capacity of the facility in which the live~~
28 ~~entertainment is provided.] :~~

29 (a) “Affiliate” has the meaning ascribed to it in NRS 463.0133.

30 (b) “Operator” includes, without limitation, a person who operates a
31 facility where live entertainment is provided or who presents, produces or
32 otherwise provides the live entertainment.

33 Sec. 3.1. NRS 368A.220 is hereby amended to read as follows:

34 368A.220 1. Except as otherwise provided in this section:

35 (a) Each taxpayer who is a licensed gaming establishment shall file
36 with the Board, on or before the 15th day of each month, a report showing
37 the amount of all taxable receipts for the preceding month or the month in
38 which the taxable events occurred. The report must be in a form prescribed
39 by the Board.

40 (b) All other taxpayers shall file with the Department, on or before the
41 last day of each month, a report showing the amount of all taxable receipts
42 for the preceding month. The report must be in a form prescribed by the
43 Department.

44 2. The Board or the Department, if it deems it necessary to ensure
45 payment to or facilitate the collection by the State of the tax imposed by

1 NRS 368A.200, may require reports to be filed not later than 10 days after
2 the end of each calendar quarter.

3 3. Each report required to be filed by this section must be
4 accompanied by the amount of the tax that is due for the period covered by
5 the report.

6 4. ~~{The}~~ Except as otherwise provided in this subsection, the Board
7 and the Department shall deposit all taxes, interest and penalties ~~{#~~
8 ~~receives}~~ they receive pursuant to this chapter in the State Treasury for
9 credit to the State General Fund. The Board and the Department shall
10 deposit 25 percent of all taxes, interest and penalties they receive
11 pursuant to this chapter from a taxpayer described in subsection 4 of
12 NRS 368A.110 in the State Treasury for credit to the Nevada Athletic
13 Commission's Agency Account.

14 Sec. 3.2. NRS 368A.240 is hereby amended to read as follows:

15 368A.240 1. If a taxpayer:

16 (a) Is unable to collect all or part of an admission charge or charges for
17 food, ~~{refreshments}~~ beverages and merchandise which were included in
18 the taxable receipts reported for a previous reporting period; and

19 (b) Has taken a deduction on his or her federal income tax return
20 pursuant to 26 U.S.C. § 166(a) for the amount which the taxpayer is unable
21 to collect,

22 ↪ the taxpayer is entitled to receive a credit for the amount of tax paid on
23 account of that uncollected amount. The credit may be used against the
24 amount of tax that the taxpayer is subsequently required to pay pursuant to
25 this chapter.

26 2. If the Internal Revenue Service disallows a deduction described in
27 paragraph (b) of subsection 1 and the taxpayer claimed a credit on a return
28 for a previous reporting period pursuant to subsection 1, the taxpayer shall
29 include the amount of that credit in the amount of taxes reported pursuant
30 to this chapter in the first return filed with the Board or the Department
31 after the deduction is disallowed.

32 3. If a taxpayer collects all or part of an admission charge or charges
33 for food, ~~{refreshments}~~ beverages and merchandise for which the taxpayer
34 claimed a credit on a return for a previous reporting period pursuant to
35 subsection 2, the taxpayer shall include:

36 (a) The amount collected in the charges reported pursuant to paragraph
37 (a) of subsection 1; and

38 (b) The tax payable on the amount collected in the amount of taxes
39 reported,

40 ↪ in the first return filed with the Board or the Department after that
41 collection.

42 4. If the live entertainment that is taxable under this chapter
43 consists of any professional contest or exhibition of unarmed combat
44 governed by the provisions of chapter 467 of NRS, the promoter of the
45 contest or exhibition is entitled to receive a credit against the tax owed in

1 *an amount equal to the fees, taxes or other charges paid by the promoter*
2 *to the Nevada Athletic Commission pursuant to chapter 467 of NRS in*
3 *connection with the contest or exhibition.*

4 5. Except as otherwise provided in subsection ~~5~~ 6, upon
5 determining that a taxpayer has filed a return which contains one or more
6 violations of the provisions of this section, the Board or the Department
7 shall:

8 (a) For the first return of any taxpayer that contains one or more
9 violations, issue a letter of warning to the taxpayer which provides an
10 explanation of the violation or violations contained in the return.

11 (b) For the first or second return, other than a return described in
12 paragraph (a), in any calendar year which contains one or more violations,
13 assess a penalty equal to the amount of the tax which was not reported.

14 (c) For the third and each subsequent return in any calendar year which
15 contains one or more violations, assess a penalty of three times the amount
16 of the tax which was not reported.

17 ~~5~~ 6. For the purposes of subsection ~~4~~ 5, if the first violation of
18 this section by any taxpayer was determined by the Board or the
19 Department through an audit which covered more than one return of the
20 taxpayer, the Board or the Department shall treat all returns which were
21 determined through the same audit to contain a violation or violations in
22 the manner provided in paragraph (a) of subsection ~~4~~ 5.

23 **Sec. 4.** NRS 368A.360 is hereby amended to read as follows:

24 368A.360 **1.** Any licensed gaming establishment liable for the
25 payment of the tax imposed by NRS 368A.200 who willfully fails to
26 report, pay or truthfully account for the tax is subject to the ~~revocation of~~
27 *investigatory or disciplinary proceedings that are set forth in NRS*
28 *463.310 to 463.318, inclusive, and may have its gaming license revoked*
29 by the Commission.

30 **2.** *A violation of any provision of this chapter, or any regulation*
31 *adopted pursuant thereto, by a licensed gaming establishment is:*

32 (a) *An unsuitable method of operation; and*

33 (b) *Subject to the investigatory and disciplinary proceedings that are*
34 *set forth in NRS 463.310 to 463.318, inclusive, and shall be punished as*
35 *provided in those sections.*

36 **Sec. 4.1.** **NRS 463.15995 is hereby amended to read as follows:**

37 463.15995 **1.** The Commission shall, with the advice and assistance
38 of the Board, adopt regulations authorizing a gaming licensee to charge a
39 fee for admission to an area in which gaming is conducted in accordance
40 with the provisions of this section.

41 **2.** The regulations adopted by the Commission pursuant to this
42 section must include, without limitation, provisions that:

43 (a) A gaming licensee may not charge a fee pursuant to this section
44 unless:

1 (1) The Chair of the Board grants administrative approval of a
2 request by a gaming licensee to charge such a fee; and

3 (2) Such administrative approval is not revoked or suspended by the
4 Chair of the Board.

5 (b) The Chair of the Board may, in the Chair's sole and absolute
6 discretion, grant, deny, limit, condition, restrict, revoke or suspend any
7 administrative approval of a request by a gaming licensee to charge a fee
8 pursuant to this section. In considering such a request, the Chair of the
9 Board shall consider all relevant factors, including, without limitation:

10 (1) The size of the area;

11 (2) The amount of gaming that occurs within the area;

12 (3) The types and quantity of gaming offered;

13 (4) The business purpose of the area;

14 (5) Other amenities that are offered within the area;

15 (6) The amount of the costs and expenses incurred in creating the
16 area;

17 (7) The benefit to the State in having gaming conducted within the
18 area;

19 (8) The amount of the fee charged and whether the fee charged is
20 unreasonable as compared to the prevailing practice within the industry;
21 and

22 (9) Whether the area should more appropriately be treated as a
23 gaming salon.

24 ↪ The decision of the Chair of the Board regarding such a request may be
25 appealed by the gaming licensee to the Commission pursuant to its
26 regulations.

27 (c) A gaming licensee who charges a fee pursuant to this section:

28 (1) Shall deposit with the Board and thereafter maintain a
29 refundable revolving fund in an amount determined by the Commission to
30 pay the expenses of admission of agents of the Board or Commission to
31 the area for which a fee for admission is charged.

32 (2) Shall arrange for access by agents of the Board or Commission
33 to the area for which a fee for admission is charged.

34 (3) Shall, at all times that a fee is charged for admission to an area
35 pursuant to this section in an establishment for which a nonrestricted
36 license has been issued, provide for the public at least the same number of
37 gaming devices and games in a different area for which no fee is charged
38 for admission.

39 (4) Shall, at all times that a fee is charged for admission to an area
40 pursuant to this section in an establishment for which a restricted license
41 has been issued, post a sign of a suitable size in a conspicuous place near
42 the entrance of the establishment that provides notice to patrons that they
43 do not need to pay an admission fee or cover charge to engage in gaming.

1 (5) Shall not use a fee charged for admission to create a private
2 gaming area that is not operated in association or conjunction with a
3 nongaming activity, attraction or facility.

4 (6) Shall not restrict admission to the area for which a fee for
5 admission is charged to a patron on the ground of race, color, religion,
6 national origin or disability of the patron, and any unresolved dispute with
7 a patron concerning restriction of admission shall be deemed a dispute as
8 to the manner in which a game is conducted pursuant to NRS 463.362 and
9 must be resolved pursuant to NRS 463.362 to 463.366, inclusive.

10 (d) If a gaming licensee who holds a nonrestricted license charges a fee
11 pursuant to this section, unless the area for which a fee for admission is
12 charged is otherwise subject to the excise tax on admission to any facility
13 in this State where live entertainment is provided pursuant to chapter 368A
14 of NRS, the determination of the amount of the liability of the gaming
15 licensee for that tax:

16 (1) Includes the fees charged for admission pursuant to this section;
17 and

18 (2) Does not include charges for food, ~~refreshments~~ beverages
19 and merchandise collected in the area for which admission is charged.

20 **Sec. 5.** NRS 463.310 is hereby amended to read as follows:

21 463.310 1. The Board shall make appropriate investigations:

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

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

28 (c) To aid in adopting regulations.

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

31 (e) As directed by the Commission.

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

33 (a) A license, registration, finding of suitability, preliminary finding of
34 suitability, pari-mutuel license or prior approval by the Commission of any
35 transaction for which the approval was required or permitted under the
36 provisions of this chapter or chapter 462, 464 or 466 of NRS should be
37 limited, conditioned, suspended or revoked; or

38 (b) A person or entity which is licensed, registered, found suitable or
39 found preliminarily suitable pursuant to this chapter or chapter 464 of NRS
40 or which previously obtained approval for any act or transaction for which
41 Commission approval was required or permitted under the provisions of
42 this chapter or chapter 464 of NRS should be fined,

43 ↪ the Board shall initiate a hearing before the Commission by filing a
44 complaint with the Commission in accordance with NRS 463.312 and
45 transmit therewith a summary of evidence in its possession bearing on the

1 matter and the transcript of testimony at any investigative hearing
2 conducted by or on behalf of the Board.

3 3. Upon receipt of the complaint of the Board, the Commission shall
4 review the complaint and all matter presented in support thereof, and shall
5 conduct further proceedings in accordance with NRS 463.3125 to
6 463.3145, inclusive.

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

9 (a) Limit, condition, suspend or revoke the license of any licensed
10 gaming establishment or the individual license of any licensee without
11 affecting the license of the establishment;

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

15 (c) Order a licensed gaming establishment to keep an individual
16 licensee from the premises of the licensed gaming establishment or not to
17 pay the licensee any remuneration for services or any profits, income or
18 accruals on the investment of the licensee in the licensed gaming
19 establishment; and

20 (d) Fine each person or entity, or both, which is licensed, registered,
21 found suitable or found preliminarily suitable pursuant to this chapter or
22 chapter 464 of NRS or which previously obtained approval for any act or
23 transaction for which Commission approval was required or permitted
24 under the provisions of this chapter or chapter 464 of NRS:

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

28 (2) Except as otherwise provided in subparagraph (1), not more
29 than \$100,000 for each separate violation of the provisions of this chapter
30 or chapter **368A**, 464 or 465 of NRS or of ~~the~~ **any** regulations ~~of the~~
31 ~~Commission~~ **adopted thereunder**, which is the subject of an initial
32 complaint and not more than \$250,000 for each separate violation of the
33 provisions of this chapter or chapter **368A**, 464 or 465 of NRS or of ~~the~~
34 **any** regulations ~~of the Commission~~ **adopted thereunder**, which is the
35 subject of any subsequent complaint.

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

38 5. For the second violation of any provision of chapter 465 of NRS by
39 any licensed gaming establishment or individual licensee, the Commission
40 shall revoke the license of the establishment or person.

41 6. If the Commission limits, conditions, suspends or revokes any
42 license or imposes a fine, or limits, conditions, suspends or revokes any
43 registration, finding of suitability, preliminary finding of suitability, pari-
44 mutuel license or prior approval, it shall issue its written order therefor

1 after causing to be prepared and filed its written decision upon which the
2 order is based.

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

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

9 **Sec. 5.1. NRS 467.107 is hereby amended to read as follows:**

10 467.107 1. ~~In addition to the payment of any other fees and money~~
11 ~~due under this chapter, every promoter, except as provided in subsection 2,~~
12 ~~shall pay a license fee of:~~

13 ~~—(a) Six percent of the total gross receipts from admission fees to the~~
14 ~~live contest or exhibition of unarmed combat, exclusive of any federal tax~~
15 ~~or tax imposed by any political subdivision of this state; and~~

16 ~~—(b) Three percent of the first \$1,000,000, and 1 percent of the next~~
17 ~~\$2,000,000, of the total gross receipts from the sale, lease or other~~
18 ~~exploitation of broadcasting, television and motion picture rights for that~~
19 ~~contest or exhibition;~~

20 ~~without any deductions for commissions, brokerage fees, distribution~~
21 ~~fees, advertising, contestants' purses or any other expenses or charges.~~

22 ~~—2. A corporation organized pursuant to NRS 81.550 to 81.660,~~
23 ~~inclusive, which promotes an amateur contest or exhibition of unarmed~~
24 ~~combat whose net proceeds are to be spent entirely in this state, for the~~
25 ~~purposes for which the corporation is organized, is exempt from the fees~~
26 ~~payable under this section. The corporation must retain the services of a~~
27 ~~promoter licensed pursuant to this chapter.~~

28 ~~3. 2. The Commission shall adopt regulations,~~

29 ~~(a) Requiring requiring that the number and face value of all~~
30 ~~complimentary tickets be reported.~~

31 ~~(b) Governing the treatment of complimentary tickets for the purposes~~
32 ~~of computing gross receipts from admission fees under paragraph (a) of~~
33 ~~subsection 1.~~

34 **Sec. 6.** Any administrative regulations relating to the tax on live
35 entertainment imposed pursuant to chapter 368A of NRS which were
36 adopted by the Nevada Tax Commission or the Nevada Gaming
37 Commission before July 1, 2015, and which conflict or are inconsistent
38 with the provisions of this act are void, unless those regulations are
39 amended before July 1, 2015, to be consistent with the provisions of this
40 act.

41 **Sec. 7.** This act becomes effective:

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

45 2. On July 1, 2015, for all other purposes.

