

MOCK-UP

PROPOSED AMENDMENT 7700 TO
SENATE BILL NO. 266

PREPARED FOR SENATOR LIPPARELLI
MAY 28, 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 thereto the provisions set forth**
2 **as sections 1.03 to 1.2, inclusive, of this act.**

3 **Sec. 1.03. 1. "Escort" means a person who, for monetary consideration, in the form of a fee,**
4 **commission or salary, dates, socializes, visits, consorts with or accompanies, or offers to date, socialize,**
5 **visit, consort with, or accompany, another or others to or about social affairs, entertainments or places**
6 **of amusement or within any place of public resort or within any private quarters. The term does not**
7 **include a person who advertises, or works, as an employee, agent or independent contractor, for a**
8 **person who advertises that sexual conduct will be provided to a patron, or who solicits, offers to provide**
9 **or provides acts of sexual conduct to a patron.**

10 **2. As used in this section, "sexual conduct" means sexual intercourse, oral-genital contact or any**
11 **touching of the sexual organs or other intimate parts of a person for the purpose of arousing or**
12 **gratifying the sexual desire of either person.**

13 **Sec. 1.07. 1. "Escort service" means a person who, for a fee, commission, profit, payment or**
14 **other monetary consideration, furnishes, refers or offers to furnish or refer an escort to a patron,**
15 **offers to introduce a patron to an escort, or who provides an escort to a patron. The term does not**
16 **include a person who advertises that an escort will provide sexual conduct to a patron or who solicits,**
17 **offers to provide or provides acts of sexual conduct to a patron.**

18 **2. As used in this section, "sexual conduct" has the meaning ascribed to it in section 1.03 of this**
19 **act.**

20 **Sec. 1.1. "Promoter" has the meaning ascribed to it in NRS 467.0104.**

21 **Sec. 1.2. "Unarmed combat" has the meaning ascribed to it in NRS 467.0107.**

22 **Sec. 1.3. NRS 368A.010 is hereby amended to read as follows:**

23 368A.010 As used in this chapter, unless the context otherwise requires, the words and terms defined
24 in NRS 368A.020 to 368A.115, inclusive, **and sections 1.03 to 1.2, inclusive, of this act** have the
25 meanings ascribed to them in those sections.

26 **Sec. 1.4. NRS 368A.020 is hereby amended to read as follows:**

27 368A.020 ~~["Admission"]~~ **Except as otherwise provided in this section, "admission charge" means**
28 **the total amount, expressed in terms of money, of consideration paid for the right or privilege to enter or**
29 **have access to a facility where live entertainment is provided.** ~~["The"]~~

30 **2. Except as otherwise provided in this section, NRS 368A.200 or other specific statute, the** term
31 includes, without limitation, an entertainment fee, a cover charge, ~~["a table reservation fee, or"]~~ a required
32 minimum purchase of food, ~~["refreshments"]~~ **beverages** or merchandise ~~[""]~~, **a membership fee and a**

1 service charge or any other fee or charge that is required to be paid in connection with admission to a
2 facility where live entertainment is provided.

3 3. The term does not include:

4 (a) The value of an admission to a facility provided to a patron on a complimentary basis, unless
5 the complimentary admission is associated with a separate purchase by a patron to enter or have access
6 to a facility

7 (b) A charge for the right or privilege of entering, or having access to, a particular portion of a
8 facility, that is in addition to the charge for the right or privilege of entering or having access to that
9 facility, including, without limitation a charge for access to tables, seats, lounge chairs or particular
10 areas near a swimming pool.

11 ~~[Section 1.]~~ **Sec. 1.5.** NRS 368A.060 is hereby amended to read as follows:

12 368A.060 ~~[(1)]~~ "Facility" means ~~[(1)]~~

13 ~~—(a) Any~~ **any** area or premises, indoor or outdoor, where live entertainment is provided and for
14 which consideration is collected for the right or privilege of entering, or having access to, that area or
15 those premises. ~~[(1)]~~ if the live entertainment is provided at:

16 ~~—(1) An establishment that is not a licensed gaming establishment; or~~

17 ~~—(2) A licensed gaming establishment that is licensed for less than 51 slot machines, less than 6~~
18 ~~games, or any combination of slot machines and games within those respective limits.~~

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

21 ~~—2. "Facility" encompasses, if live entertainment is provided at a licensed gaming establishment that~~
22 ~~is licensed for:~~

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

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

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

31 368A.090 1. "Live entertainment" means any activity provided for pleasure, enjoyment, recreation,
32 relaxation, diversion or other similar purpose by a person or persons who are physically present when
33 providing that activity to a patron or group of patrons who are physically present.

34 2. The term:

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

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

37 (2) Dancing performed by one or more professional or amateur dancers or performers ~~[(1)]~~,
38 including, without limitation, dancing performed by one or more nude or partially denuded
39 individuals;

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

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

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

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

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

49 (8) A show or production involving any combination of the activities described in subparagraphs
50 (1) to (7), inclusive; ~~[(and)]~~

51 (9) A performance involving one or more of the activities described in this paragraph by a disc
52 jockey who presents recorded music. ~~[(For the purposes of this subparagraph, a disc jockey shall not be~~
53 ~~deemed to have engaged in a performance involving one or more of the activities described in this~~
54 ~~paragraph if the disc jockey generally limits his or her interaction with patrons to introducing the recorded~~
55 ~~music, making announcements of general interest to patrons, and explaining, encouraging or directing~~
56 ~~participatory activities between patrons.]; and~~

57 (10) An escort who is escorting one or more persons at a location or locations in this State.

(b) ~~[Excludes.]~~ Except as otherwise provided in subsection 3, excludes, without limitation, any one or more of the following activities:

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

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

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

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

~~— (5) Television, radio, closed circuit or Internet broadcasts of live entertainment;~~

~~— (6) (2) Entertainment provided by a patron or patrons, including, without limitation, singing by patrons or dancing by or between patrons;~~

~~— (7) and;~~

(3) Animal behaviors induced by animal trainers or caretakers primarily for the purpose of education and scientific research ~~— and;~~

~~— (8) (4) [An occasional activity, including, without limitation, dancing, that:]~~

~~— (I) Does not constitute a performance;~~

~~— (II) Is not advertised as entertainment to the public;~~

~~— (III) Primarily serves to provide ambience to the facility]; and~~

~~— (IV) Is conducted by an employee whose primary job function is not that of an entertainer.] An activity that is an uncompensated, spontaneous performance of limited duration;~~

(5) An activity that does not constitute a performance including, without limitation, go-go dancing; or

(6) Marketing or promotional activities, including, without limitation, dancing or singing of short duration associated with the serving of food and beverages.

3. The term includes any activity described in paragraph (a) of subsection 2 if the activity is provided at a facility with a maximum occupancy, as defined in NRS 368A.200, of 15,000 or more.

4. As used in this section, "nude or partially denuded individual" means an individual with any of the following less than completely or opaquely covered:

(a) Genitals;

(b) The pubic region; or

(c) A female breast below a point immediately above the top of the areola.

Sec. 2.1. NRS 368A.110 is hereby amended to read as follows:

368A.110 "Taxpayer" means:

1. ~~—~~ Except as otherwise provided in subsections 4 and 5, if live entertainment that is taxable under this chapter is provided at a licensed gaming establishment, the person licensed to conduct gaming at that establishment.

2. Except as otherwise provided in ~~[subsection]~~ subsections 3, 4 and 5, if live entertainment that is taxable under this chapter is not provided at a licensed gaming establishment, the owner or operator of the facility where the live entertainment is provided.

3. ~~—~~ Except as otherwise provided in subsections 4 and 5, if live entertainment that is taxable under this chapter is provided at a publicly owned facility or on public land, the person who collects the taxable receipts.

4. If the live entertainment that is taxable under this chapter consists of any professional contest or exhibition of unarmed combat governed by the provisions of chapter 467 of NRS, the promoter of the contest or exhibition.

1 5. If live entertainment that is taxable under this chapter is provided by an escort, the escort or, if
2 the escort works as an employee, agent or independent contractor for an escort service, the owner or
3 operator of the escort service.

4 **Sec. 3.** NRS 368A.200 is hereby amended to read as follows:

5 368A.200 1. Except as otherwise provided in this section, there is hereby imposed an excise tax on
6 admission to any facility in this State where live entertainment is provided. ~~If the live entertainment is~~
7 ~~provided at a facility with a maximum occupancy of:~~

8 ~~(a) Less than 7,500 persons, the~~ and on the charge for live entertainment provided by an escort at
9 one or more locations in this State. The rate of the tax is ~~10~~ ;

10 (a) Except as otherwise provided in paragraphs (b) and (c), for admission to a facility in this State
11 where live entertainment is provided, 9 percent of the admission charge to the facility, ~~plus 10 percent~~
12 of any amounts paid for food, refreshments and merchandise purchased at the facility.

13 (b) ~~At least 7,500 persons, the rate of the tax is 5~~ For live entertainment provided by an escort who
14 is escorting one or more persons at a location or locations in this State, 9 percent of the ~~admission~~
15 charge to the facility, total amount, expressed in terms of money, of consideration paid for the live
16 entertainment provided by the escort.

17 (c) For admission to a facility in this State where live entertainment that constitutes a contest or
18 exhibition of unarmed combat is provided, 8 percent of the admission charge to the facility.

19 2. Amounts paid for:

20 (a) Admission charges collected and retained by a nonprofit religious, charitable, fraternal or other
21 organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c), or by a nonprofit
22 corporation organized or existing under the provisions of chapter 82 of NRS, are not taxable pursuant to
23 this section ~~+~~, only if the number of tickets to the live entertainment for which the admission charge is
24 collected which are offered for sale or other distribution to patrons, either directly or indirectly through
25 a partner, subsidiary, client, affiliate or other collaborator, is less than 7,500.

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

30 (c) Fees imposed, collected and retained by an independent financial institution in connection with
31 the use of credit cards or debit cards to pay the admission charge to a facility where live entertainment
32 is provided are not taxable pursuant to this section. As used in this paragraph, "independent financial
33 institution" means a financial institution that is not the taxpayer or an owner or operator of the facility
34 where the live entertainment is provided or an affiliate of any of those persons.

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

37 ~~4. Any ticket for live entertainment must state whether the tax imposed by this section is included in~~
38 ~~the price of the ticket. If the ticket does not include such a statement, the taxpayer shall pay the tax based~~
39 ~~on the face amount of the ticket.~~ The tax imposed by this section must be added to and collected from
40 the purchaser at the time of purchase, whether or not the admission for live entertainment is purchased
41 for resale. Each ticket for admission to a facility where live entertainment is provided must show on its
42 face the admission charge or the seller of the admission shall prominently display a notice disclosing
43 the admission charge at the box office or other place where the charge is made.

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

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

47 (b) Live entertainment that is governed by the Nevada Interscholastic Activities Association
48 pursuant to NRS 386.420 to 386.470 or is provided or sponsored by an elementary school, junior high
49 school, middle school or high school, if only student or faculty provide the live entertainment.

50 (c) An athletic contest, event or exhibition provided by an institution of the Nevada System of
51 Higher Education, if students of such an institution are contestants in the contest, event or exhibition.

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

56 ~~(e) Any boxing contest or exhibition governed by the provisions of chapter 467 of NRS.~~

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

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

8 ~~—(f) Merchandise sold outside the facility in which the live entertainment is provided, unless the~~
9 ~~purchase of the merchandise entitles the purchaser to admission to the entertainment.~~

10 ~~—(g)~~ (g) Live entertainment that is provided at a trade show.

11 ~~—(h) Music performed by musicians who move constantly through the audience if no other form of live~~
12 ~~entertainment is afforded to the patrons.~~

13 ~~—(i)~~ (g) Live entertainment that is provided at a licensed gaming establishment at private meetings or
14 dinners attended by members of a particular organization or by a casual assemblage if the purpose of the
15 event is not primarily for entertainment.

16 ~~—(j) Live entertainment that is provided in the common area of a shopping mall, unless the~~
17 ~~entertainment is provided in a facility located within the mall.~~

18 ~~—(k) Food and product demonstrations provided at a shopping mall, a craft show or an establishment~~
19 ~~that sells grocery products, housewares, hardware or other supplies for the home.~~

20 ~~—(l) Live entertainment that is incidental to an amusement ride, a motion simulator or a similar digital,~~
21 ~~electronic, mechanical or electromechanical attraction. For the purposes of this paragraph, live~~
22 ~~entertainment shall be deemed to be incidental to an amusement ride, a motion simulator or a similar~~
23 ~~digital, electronic, mechanical or electromechanical attraction if the live entertainment is:~~

24 ~~—(1) Not the predominant element of the attraction; and~~

25 ~~—(2) Not the primary purpose for which the public rides, attends or otherwise participates in the~~
26 ~~attraction.~~

27 ~~—(m) Live entertainment that is provided to the public in an outdoor area, without any requirements for~~
28 ~~the payment of an admission charge or the purchase of any food, refreshments or merchandise.~~

29 ~~—(n) (h) An outdoor concert, unless the concert is provided on the premises of a licensed gaming~~
30 ~~establishment.~~

31 ~~—(o) (i) Beginning July 1, 2007, race events]~~

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

35 ~~—(p) (j) Beginning July 1, 2007, a baseball contest, event or exhibition conducted by professional~~
36 ~~minor league baseball players at a stadium in this State.~~

37 ~~—(q) Live entertainment provided in a restaurant which is incidental to any other activities conducted in~~
38 ~~the restaurant or which only serves as ambience so long as there is no charge to the patrons for that~~
39 ~~entertainment.~~

40 ~~—6. The Commission may adopt regulations establishing a procedure whereby a taxpayer that is a~~
41 ~~licensed gaming establishment may request an exemption from the tax pursuant to paragraph (q) of~~
42 ~~subsection 5. The regulations must require the taxpayer to seek an administrative ruling from the Chair of~~
43 ~~the Board, provide a procedure for appealing that ruling to the Commission and further describe the forms~~
44 ~~of incidental or ambient entertainment exempted pursuant to that paragraph.~~

45 ~~—7.]~~ , if two or more such races are held at that race track during the same calendar year.

46 (n) An athletic contest, event or exhibition conducted by a professional team based in this State if
47 the professional team based in this State is a participant in the contest, event or exhibition.

48 6. As used in this section, [“maximum”]:

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

50 (b) “Maximum occupancy” means, in the following order of priority:

51 ~~—(a)~~ (1) The maximum occupancy of the facility in which live entertainment is provided, as
52 determined by the State Fire Marshal or the local governmental agency that has the authority to determine
53 the maximum occupancy of the facility;

54 ~~—(b)~~ (2) If such a maximum occupancy has not been determined, the maximum occupancy of the
55 facility designated in any permit required to be obtained in order to provide the live entertainment; or

56 ~~—(c)~~ (3) If such a permit does not designate the maximum occupancy of the facility, the actual
57 seating capacity of the facility in which the live entertainment is provided. ;

1 (c) "Operator" includes, without limitation, a person who operates a facility where live
2 entertainment is provided or who presents, produces or otherwise provides the live entertainment.

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

4 368A.220 1. Except as otherwise provided in this section:

5 (a) Each taxpayer who is a licensed gaming establishment shall file with the Board, on or before the
6 15th day of each month, a report showing the amount of all taxable receipts for the preceding month or
7 the month in which the taxable events occurred. The report must be in a form prescribed by the Board.

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

11 2. The Board or the Department, if it deems it necessary to ensure payment to or facilitate the
12 collection by the State of the tax imposed by NRS 368A.200, may require reports to be filed not later than
13 10 days after the end of each calendar quarter.

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

16 4. ~~[The]~~ Except as otherwise provided in this subsection, the Board and the Department shall
17 deposit all taxes, interest and penalties ~~[it receives]~~ they receive pursuant to this chapter in the State
18 Treasury for credit to the State General Fund. The Board and the Department shall deposit 25 percent of
19 all taxes, interest and penalties they receive pursuant to this chapter from a taxpayer described in
20 subsection 4 of NRS 368A.110 in the State Treasury for credit to the Nevada Athletic Commission's
21 Agency Account created by NRS 467.080.

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

23 368A.240 1. If a taxpayer:

24 (a) Is unable to collect all or part of an admission charge ~~[or charges for food, refreshments and~~
25 ~~merchandise]~~ or charge for live entertainment provided by an escort, which were included in the taxable
26 receipts reported for a previous reporting period; and

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

29 ➤ the taxpayer is entitled to receive a credit for the amount of tax paid on account of that uncollected
30 amount. The credit may be used against the amount of tax that the taxpayer is subsequently required to
31 pay pursuant to this chapter.

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

36 3. If a taxpayer collects all or part of an admission charge ~~[or charges for food, refreshments and~~
37 ~~merchandise]~~ or charge for live entertainment provided by an escort, for which the taxpayer claimed a
38 credit on a return for a previous reporting period pursuant to subsection 2, the taxpayer shall include:

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

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

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

42 4. If the live entertainment that is taxable under this chapter consists of any professional contest
43 or exhibition of unarmed combat governed by the provisions of chapter 467 of NRS, the promoter of
44 the contest or exhibition is entitled to receive a credit against the tax owed in an amount equal to the
45 fees, taxes or other charges paid by the promoter to the Nevada Athletic Commission pursuant to
46 chapter 467 of NRS in connection with the contest or exhibition.

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

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

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

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

57 ~~[5.]~~ 6. For the purposes of subsection ~~[4.]~~ 5, if the first violation of this section by any taxpayer was
58 determined by the Board or the Department through an audit which covered more than one return of the

1 taxpayer, the Board or the Department shall treat all returns which were determined through the same
2 audit to contain a violation or violations in the manner provided in paragraph (a) of subsection ~~4.~~5.

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

4 368A.360 **1.** Any licensed gaming establishment liable for the payment of the tax imposed by NRS
5 368A.200 who willfully fails to report, pay or truthfully account for the tax is subject to the ~~revocation~~
6 ~~of~~ *investigatory or disciplinary proceedings that are set forth in NRS 463.310 to 463.318, inclusive,*
7 *and may have its gaming license revoked* by the Commission.

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

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

11 *(b) Subject to the investigatory and disciplinary proceedings that are set forth in NRS 463.310 to*
12 *463.318, inclusive, and shall be punished as provided in those sections.*

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

14 463.15995 **1.** The Commission shall, with the advice and assistance of the Board, adopt regulations
15 authorizing a gaming licensee to charge a fee for admission to an area in which gaming is conducted in
16 accordance with the provisions of this section.

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

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

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

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

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

27 (1) The size of the area;

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

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

30 (4) The business purpose of the area;

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

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

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

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

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

37 ➔ The decision of the Chair of the Board regarding such a request may be appealed by the gaming
38 licensee to the Commission pursuant to its regulations.

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

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

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

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

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

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

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

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

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

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

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

9 463.310 1. The Board shall make appropriate investigations:

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

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

14 (c) To aid in adopting regulations.

15 (d) To secure information as a basis for recommending legislation relating to this chapter or chapter
16 **368A**, 462, 464, 465 or 466 of NRS.

17 (e) As directed by the Commission.

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

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

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

27 ➔ the Board shall initiate a hearing before the Commission by filing a complaint with the Commission in
28 accordance with NRS 463.312 and transmit therewith a summary of evidence in its possession bearing on
29 the matter and the transcript of testimony at any investigative hearing conducted by or on behalf of the
30 Board.

31 3. Upon receipt of the complaint of the Board, the Commission shall review the complaint and all
32 matter presented in support thereof, and shall conduct further proceedings in accordance with NRS
33 463.3125 to 463.3145, inclusive.

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

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

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

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

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

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

48 (2) Except as otherwise provided in subparagraph (1), not more than \$100,000 for each separate
49 violation of the provisions of this chapter or chapter **368A**, 464 or 465 of NRS or of ~~the~~ **any** regulations
50 ~~of the Commission~~ **adopted thereunder**, which is the subject of an initial complaint and not more than
51 \$250,000 for each separate violation of the provisions of this chapter or chapter **368A**, 464 or 465 of NRS
52 or of ~~the~~ **any** regulations ~~of the Commission~~ **adopted thereunder**, which is the subject of any
53 subsequent complaint.

54 ➔ All fines must be paid to the State Treasurer for deposit in the State General Fund.

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

6. If the Commission limits, conditions, suspends or revokes any license or imposes a fine, or limits, conditions, suspends or revokes any registration, finding of suitability, preliminary finding of suitability, pari-mutuel license or prior approval, it shall issue its written order therefor after causing to be prepared and filed its written decision upon which the order is based.

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

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

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

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

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

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

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

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

~~3.] 2. The Commission shall adopt regulations, [~~

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

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

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

Sec. 6.5. The provisions of this act apply only to taxable receipts that are collected pursuant to the provisions of chapter 368A of NRS on or after October 1, 2015.

Sec. 7. This act becomes effective:

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

2. On ~~July~~ **October** 1, 2015, for all other purposes.