
ASSEMBLY BILL NO. 414—COMMITTEE ON JUDICIARY

MARCH 19, 2015

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing agreements with certain governments for purposes of interactive gaming. (BDR 41-1072)

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 provisions authorizing the Governor to enter into agreements with certain governments to conduct interactive gaming; defining certain terms relating to interactive gaming; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the Governor, upon recommendation of the Nevada
2 Gaming Commission, to enter into agreements with certain governments to enable
3 patrons in the signatory states to participate in interactive gaming. (NRS 463.747)
4 This bill: (1) provides that such agreements may only be entered into to enable
5 patrons in the signatory states to participate in Internet poker; and (2) defines
6 Internet poker for such purposes.

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

1 **Section 1.** NRS 463.016425 is hereby amended to read as
2 follows:
3 463.016425 1. “Interactive gaming” means the conduct of
4 gambling games through the use of communications technology that
5 allows a person, utilizing money, checks, electronic checks,
6 electronic transfers of money, credit cards, debit cards or any other
7 instrumentality, to transmit to a computer information to assist in
8 the placing of a bet or wager and corresponding information related



1 to the display of the game, game outcomes or other similar
2 information. The term:

3 (a) Includes, without limitation, Internet poker.

4 (b) Does not include the operation of a race book or sports pool
5 that uses communications technology approved by the Board
6 pursuant to regulations adopted by the Commission to accept wagers
7 originating within this state for races, or sporting events or other
8 events.

9 2. As used in this section ~~f, “communications”~~:

10 (a) *“Communications”* technology” means any method used and
11 the components employed by an establishment to facilitate the
12 transmission of information, including, without limitation,
13 transmission and reception by systems based on wire, cable, radio,
14 microwave, light, optics or computer data networks, including,
15 without limitation, the Internet and intranets.

16 (b) *“Internet poker”* has the meaning ascribed to it in
17 *NRS 463.747*.

18 **Sec. 2.** NRS 463.747 is hereby amended to read as follows:

19 463.747 1. Upon recommendation of the Commission, the
20 Governor, on behalf of the State of Nevada, is authorized to:

21 (a) Enter into agreements, in accordance with the requirements
22 of this section, with other governments whereby persons who are
23 physically located in a signatory jurisdiction may participate in
24 interactive gaming conducted by one or more operators licensed by
25 one or more of the signatory governments; and

26 (b) Take all necessary actions to ensure that any agreement
27 entered into pursuant to this section becomes effective.

28 2. The Commission may:

29 (a) Make recommendations to the Governor to enter into
30 agreements pursuant to this section.

31 (b) Upon the recommendation of the Board, adopt regulations
32 relating to agreements pursuant to this section.

33 3. The regulations adopted by the Commission pursuant to this
34 section may include, without limitation, provisions prescribing:

35 (a) The form, length and terms of an agreement entered into by
36 this State and another government, including, without limitation,
37 provisions relating to how:

38 (1) Taxes are to be treated by this State and another
39 government;

40 (2) Revenues are to be shared and distributed; and

41 (3) Disputes with patrons are to be resolved.

42 (b) The information to be furnished to the Board and the
43 Commission by a government that proposes to enter into an
44 agreement with this State pursuant to this section.



1 (c) The information to be furnished by the Board to the
2 Commission to enable the Commission to carry out the purposes of
3 this section.

4 (d) The manner and procedure for hearings conducted by the
5 Board and Commission pursuant to this section, including, without
6 limitation, the need for any special rules or notices.

7 (e) The information to be furnished by the Commission to the
8 Governor that supports the recommendations of the Commission
9 made pursuant to this section.

10 (f) Any other procedures to be followed by the Board or
11 Commission to carry out the purposes of this section.

12 4. The Governor may not enter into an agreement pursuant to
13 this section unless the agreement includes provisions:

14 (a) For any potential arrangement for the sharing of revenues by
15 this State and a government.

16 (b) That permit the effective regulation of interactive gaming by
17 this State, including, without limitation, provisions relating to
18 licensing of entities and natural persons, technical standards to be
19 followed, resolution of disputes by patrons, requirements for
20 bankrolls, enforcement, accounting and maintenance of records.

21 (c) That each government that is a signatory to the agreement
22 agrees to prohibit operators of interactive gaming, service providers
23 and manufacturers or distributors of interactive gaming systems
24 from engaging in any activity permitted by the agreement unless
25 such operators of interactive gaming, service providers or
26 manufacturers or distributors of interactive gaming systems are
27 licensed or found suitable:

28 (1) In this State; or

29 (2) In the signatory jurisdiction pursuant to requirements that
30 are materially consistent with the corresponding requirements of this
31 State.

32 (d) That no variation or derogation from the requirements of the
33 agreement is permitted for any signatory government absent the
34 consent of this State and all signatory governments.

35 (e) That prohibit any subordinate or side agreements, except
36 with respect to sharing of revenues, among any subset of
37 governments that are signatories to the agreement.

38 (f) That, if the agreement allows persons physically located in
39 this State to participate in interactive gaming conducted by another
40 government or an operator of interactive gaming licensed by another
41 government, require that government to establish and maintain
42 regulatory requirements governing interactive gaming that are
43 materially consistent with the requirements of this State in all
44 material respects.

45 5. As used in this section:



1 (a) "Government" means any governmental unit of a national,
2 state or local body exercising governmental functions, other than the
3 United States Government. The term includes, without limitation,
4 national and subnational governments, including their respective
5 departments, agencies and instrumentalities and any department,
6 agency or authority of any such governmental unit that has authority
7 over gaming or gambling activities.

8 (b) *"Internet poker" means the conduct of the traditional*
9 *game of poker, and any derivative of the game of poker, wherein*
10 *two or more players play against each other and wager on the*
11 *value of their hands, through the use of communications*
12 *technology, as defined in subsection 2 of NRS 463.016425.*

13 (c) "Jurisdiction" means the country, state or other geographic
14 area over which a government exercises legal authority.

15 **6. For the purposes of this section, "interactive gaming" does**
16 **not include any gambling game other than Internet poker.**

17 **Sec. 3.** This act becomes effective upon passage and approval.

