

SENATE BILL NO. 240—SENATOR HARRIS

MARCH 7, 2017

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to gaming. (BDR 41-939)

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; defining the term “other event” for certain purposes relating to gaming; providing that certain laws governing pari-mutuel wagering on a race or sporting event apply to pari-mutuel wagering on certain other events; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires a person who operates a sports pool to obtain all required
2 gaming licenses before operating the sports pool. (NRS 463.160, 464.010) Existing
3 law defines a “sports pool” as the business of accepting wagers on sporting events
4 or other events by any system or method of wagering, including, without limitation,
5 the pari-mutuel system of wagering. (NRS 463.0193) The regulations of the
6 Nevada Gaming Commission provide that “other events” are events other than
7 horse races, animal races or athletic sports events. (Nev. Gaming Comm’n Regs. §§
8 22.010, 22.120) **Section 1** of this bill defines the term “other event” in a manner
9 consistent with the regulations. **Sections 3-7** of this bill provide that existing laws
10 governing pari-mutuel wagering on a race or sporting event apply to pari-mutuel
11 wagering on other events as defined in **section 1**.

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

1 **Section 1.** Chapter 463 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *“Other event” means any event other than a horse race, dog*
4 *race or sporting event.*



1 **Sec. 2.** NRS 463.013 is hereby amended to read as follows:
2 463.013 As used in this chapter, unless the context otherwise
3 requires, the words and terms defined in NRS 463.0133 to
4 463.01967, inclusive, *and section 1 of this act* have the meanings
5 ascribed to them in those sections.

6 **Sec. 3.** NRS 464.005 is hereby amended to read as follows:
7 464.005 As used in this chapter, unless the context otherwise
8 requires:

9 1. “Gross revenue” means the amount of the commission
10 received by a licensee that is deducted from off-track pari-mutuel
11 wagering, plus breakage and the face amount of unpaid winning
12 tickets that remain unpaid for a period specified by the Nevada
13 Gaming Commission.

14 2. “Off-track pari-mutuel system” means a computerized
15 system, or component of such a system, that is used with regard to a
16 pari-mutuel pool to transmit information such as amounts wagered,
17 odds and payoffs on races ~~H~~, *sporting events or other events*.

18 3. “Off-track pari-mutuel wagering” means any pari-mutuel
19 system of wagering approved by the Nevada Gaming Commission
20 for the acceptance of wagers on:

21 (a) Horse or dog races which take place outside of this state; ~~for~~

22 (b) Sporting events ~~H~~; *or*

23 (c) *Other events*.

24 4. “Operator of a system” means a person engaged in providing
25 an off-track pari-mutuel system.

26 5. *“Other event” has the meaning ascribed to it in section 1*
27 *of this act.*

28 6. “Pari-mutuel system of wagering” means any system
29 whereby wagers with respect to the outcome of a race, ~~for~~ sporting
30 *event or other* event are placed in a wagering pool conducted by a
31 person licensed or otherwise permitted to do so under state law, and
32 in which the participants are wagering with each other and not
33 against that person. The term includes off-track pari-mutuel
34 wagering.

35 **Sec. 4.** NRS 464.010 is hereby amended to read as follows:

36 464.010 1. It is unlawful for any person, either as owner,
37 lessee or employee, whether for hire or not, to operate, carry on,
38 conduct or maintain in this state, any form of wagering under the
39 pari-mutuel system on any racing, ~~for~~ sporting *event or other*
40 event without having first procured and maintained all required
41 federal, state, county and municipal licenses.

42 2. It is unlawful for any person to function as an operator of a
43 system without having first obtained a state gaming license.

44 3. Where any other state license is required to conduct a racing
45, ~~for~~ sporting *event or other* event, that license must first be



1 procured before the pari-mutuel system of wagering may be licensed
2 in connection therewith.

3 **Sec. 5.** NRS 464.020 is hereby amended to read as follows:

4 464.020 1. The Nevada Gaming Commission is charged with
5 the administration of this chapter for the protection of the public and
6 in the public interest.

7 2. The Nevada Gaming Commission may issue licenses
8 permitting the conduct of the pari-mutuel system of wagering,
9 including off-track pari-mutuel wagering, and may adopt, amend
10 and repeal regulations relating to the conduct of such wagering.

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

13 (a) Within the enclosure wherein the race , ~~for other~~ sporting
14 *event or other* event which is the subject of the wagering occurs; or

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

17 ↪ This subsection does not prohibit a person licensed to accept,
18 pursuant to regulations adopted by the Nevada Gaming
19 Commission, off-track pari-mutuel wagers from accepting wagers
20 made by wire communication from patrons within the State of
21 Nevada, from other states in which such wagering is legal or from
22 places outside the United States in which such wagering is legal.

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

25 (a) Requiring fingerprinting of an applicant or licensee, or other
26 method of identification.

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

29 (c) Prescribing the method and form of application which any
30 applicant for a license issued pursuant to this chapter must follow
31 and complete before consideration of the applicant's application by
32 the Nevada Gaming Commission.

33 (d) Prescribing the permissible communications technology and
34 requiring the implementation of border control technology that will
35 ensure that a person cannot place a wager with a ~~race-book~~
36 *licensee* in this State from another state or another location where
37 placing such a wager is illegal.

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

43 (a) Five members from a list of nominees provided by the State
44 Association of Gaming Establishments whose members collectively



1 paid the most gross revenue fees to the State pursuant to NRS
2 463.370 in the preceding year;

3 (b) Three members who, in the preceding year, paid gross
4 revenue fees pursuant to NRS 463.370 in an amount that was less
5 than the average amount of gross revenue fees paid by licensees
6 engaged in off-track pari-mutuel wagering in the preceding year;
7 and

8 (c) Three other members.

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

14 6. If the Nevada Gaming Commission appoints an Off-Track
15 Pari-Mutuel Wagering Committee pursuant to subsection 5, the
16 Commission shall:

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

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

22 (2) A person who is licensed pursuant to this chapter as an
23 operator of a system.

24 (b) Require that any agreement negotiated by the Off-Track
25 Pari-Mutuel Wagering Committee with a track relating to off-track
26 pari-mutuel wagering must not set a different rate for intrastate
27 wagers placed on the licensed premises of a race book and wagers
28 placed through the use of communications technology.

29 (c) Require the Off-Track Pari-Mutuel Wagering Committee to
30 grant to each person licensed pursuant to this chapter to operate an
31 off-track pari-mutuel race pool the right to receive, on a fair and
32 equitable basis, all services concerning wagering in such a race pool
33 that the Committee has negotiated to bring into or provide within
34 this State.

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

39 **Sec. 6.** NRS 464.025 is hereby amended to read as follows:

40 464.025 1. The Nevada Gaming Commission, upon the
41 recommendation of the Nevada Gaming Control Board, may adopt
42 regulations for:

43 (a) The conduct by a licensee of off-track pari-mutuel wagering
44 on a race , ~~off~~ sporting *event or other* event; and



1 (b) The approval of the terms and conditions of any agreement
2 between a licensee and an agency of the state in which the race, ~~for~~
3 sporting *event or other* event takes place or a person licensed or
4 approved by that state to participate in the conduct of the race, ~~for~~
5 sporting *event or other* event or the pari-mutuel system of wagering
6 thereon.

7 2. A person or governmental agency must not receive any
8 commission or otherwise share in the revenue from the conduct of
9 off-track pari-mutuel wagering in this state without the approval of
10 the Nevada Gaming Commission. The Commission may approve
11 any person or governmental agency after such investigation as the
12 Nevada Gaming Control Board deems proper.

13 **Sec. 7.** NRS 464.040 is hereby amended to read as follows:

14 464.040 1. The total commission deducted from pari-mutuel
15 wagering other than off-track pari-mutuel wagering by any licensee
16 licensed pursuant to the provisions of this chapter must not exceed
17 18 percent of the gross amount of money handled in each pari-
18 mutuel pool operated by the licensee during the period of the
19 license.

20 2. The total commission deducted from off-track pari-mutuel
21 wagering must be determined by the Nevada Gaming Commission
22 and may be divided between the persons licensed or approved to
23 participate in the conduct of the race or event or the pari-mutuel
24 system of wagering thereon. Such licensure or approval must be
25 obtained pursuant to this chapter or chapter 463 of NRS and
26 pursuant to regulations which may be adopted by the Nevada
27 Gaming Commission.

28 3. Except as otherwise provided in NRS 464.045 for off-track
29 pari-mutuel wagering, each licensee shall pay to the Nevada
30 Gaming Commission quarterly on or before the last day of the first
31 month of the following quarter of operation for the use of the State
32 of Nevada a tax at the rate of 3 percent on the total amount of
33 money wagered on any race, ~~for~~ sporting *event or other* event.

34 4. The licensee may deduct odd cents less than 10 cents per
35 dollar in paying bets.

36 5. Except as otherwise provided in NRS 464.045 for off-track
37 pari-mutuel wagering, the amount paid to the Nevada Gaming
38 Commission must be, after deducting costs of administration which
39 must not exceed 5 percent of the amount collected, paid over by the
40 Nevada Gaming Commission to the State Treasurer for deposit in
41 the State General Fund.

42 **Sec. 8.** This act becomes effective on July 1, 2017.

