

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; providing that certain laws governing pari-mutuel wagering on a race or sporting event apply to pari-mutuel wagering on 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) **Sections 3-7** of this bill provide that existing laws governing pari-
9 mutuel wagering on a race or sporting event apply to pari-mutuel wagering on other
10 events.

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

1 **Section 1.** (Deleted by amendment.)

2 **Sec. 2.** (Deleted by amendment.)

3 **Sec. 3.** NRS 464.005 is hereby amended to read as follows:

4 464.005 As used in this chapter, unless the context otherwise
5 requires:

6 1. “Gross revenue” means the amount of the commission
7 received by a licensee that is deducted from off-track pari-mutuel
8 wagering, plus breakage and the face amount of unpaid winning



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1 tickets that remain unpaid for a period specified by the Nevada
2 Gaming Commission.

3 2. "Off-track pari-mutuel system" means a computerized
4 system, or component of such a system, that is used with regard to a
5 pari-mutuel pool to transmit information such as amounts wagered,
6 odds and payoffs on races ~~†~~, *sporting events or other events*.

7 3. "Off-track pari-mutuel wagering" means any pari-mutuel
8 system of wagering approved by the Nevada Gaming Commission
9 for the acceptance of wagers on:

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

11 (b) Sporting events ~~†~~; *or*

12 (c) *Other events*.

13 4. "Operator of a system" means a person engaged in providing
14 an off-track pari-mutuel system.

15 5. "Pari-mutuel system of wagering" means any system
16 whereby wagers with respect to the outcome of a race, ~~††~~ sporting
17 *event or other* event are placed in a wagering pool conducted by a
18 person licensed or otherwise permitted to do so under state law, and
19 in which the participants are wagering with each other and not
20 against that person. The term includes off-track pari-mutuel
21 wagering.

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

23 464.010 1. It is unlawful for any person, either as owner,
24 lessee or employee, whether for hire or not, to operate, carry on,
25 conduct or maintain in this state, any form of wagering under the
26 pari-mutuel system on any racing, ~~††~~ sporting *event or other*
27 event without having first procured and maintained all required
28 federal, state, county and municipal licenses.

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

31 3. Where any other state license is required to conduct a racing
32, ~~††~~ sporting *event or other* event, that license must first be
33 procured before the pari-mutuel system of wagering may be licensed
34 in connection therewith.

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

36 464.020 1. The Nevada Gaming Commission is charged with
37 the administration of this chapter for the protection of the public and
38 in the public interest.

39 2. The Nevada Gaming Commission may issue licenses
40 permitting the conduct of the pari-mutuel system of wagering,
41 including off-track pari-mutuel wagering, and may adopt, amend
42 and repeal regulations relating to the conduct of such wagering.

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



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

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

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

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

13 (a) Requiring fingerprinting of an applicant or licensee, or other
14 method of identification.

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

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

21 (d) Prescribing the permissible communications technology and
22 requiring the implementation of border control technology that will
23 ensure that a person cannot place a wager with a ~~trace-book~~
24 *licensee* in this State from another state or another location where
25 placing such a wager is illegal.

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

31 (a) Five members from a list of nominees provided by the State
32 Association of Gaming Establishments whose members collectively
33 paid the most gross revenue fees to the State pursuant to NRS
34 463.370 in the preceding year;

35 (b) Three members who, in the preceding year, paid gross
36 revenue fees pursuant to NRS 463.370 in an amount that was less
37 than the average amount of gross revenue fees paid by licensees
38 engaged in off-track pari-mutuel wagering in the preceding year;
39 and

40 (c) Three other members.

41 ↪ If a vacancy occurs in a position on the Committee for any
42 reason, including, but not limited to, termination of a member, the
43 Commission shall appoint a successor member who satisfies the
44 same criteria in paragraph (a), (b) or (c) that applied to the member
45 whose position has been vacated.



1 6. If the Nevada Gaming Commission appoints an Off-Track
2 Pari-Mutuel Wagering Committee pursuant to subsection 5, the
3 Commission shall:

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

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

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

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

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

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

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

27 464.025 1. The Nevada Gaming Commission, upon the
28 recommendation of the Nevada Gaming Control Board, may adopt
29 regulations for:

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

32 (b) The approval of the terms and conditions of any agreement
33 between a licensee and an agency of the state in which the race, ~~to~~
34 sporting *event or other* event takes place or a person licensed or
35 approved by that state to participate in the conduct of the race, ~~to~~
36 sporting *event or other* event or the pari-mutuel system of wagering
37 thereon.

38 2. A person or governmental agency must not receive any
39 commission or otherwise share in the revenue from the conduct of
40 off-track pari-mutuel wagering in this state without the approval of
41 the Nevada Gaming Commission. The Commission may approve
42 any person or governmental agency after such investigation as the
43 Nevada Gaming Control Board deems proper.



1 **Sec. 7.** NRS 464.040 is hereby amended to read as follows:
2 464.040 1. The total commission deducted from pari-mutuel
3 wagering other than off-track pari-mutuel wagering by any licensee
4 licensed pursuant to the provisions of this chapter must not exceed
5 18 percent of the gross amount of money handled in each pari-
6 mutuel pool operated by the licensee during the period of the
7 license.
8 2. The total commission deducted from off-track pari-mutuel
9 wagering must be determined by the Nevada Gaming Commission
10 and may be divided between the persons licensed or approved to
11 participate in the conduct of the race or event or the pari-mutuel
12 system of wagering thereon. Such licensure or approval must be
13 obtained pursuant to this chapter or chapter 463 of NRS and
14 pursuant to regulations which may be adopted by the Nevada
15 Gaming Commission.
16 3. Except as otherwise provided in NRS 464.045 for off-track
17 pari-mutuel wagering, each licensee shall pay to the Nevada
18 Gaming Commission quarterly on or before the last day of the first
19 month of the following quarter of operation for the use of the State
20 of Nevada a tax at the rate of 3 percent on the total amount of
21 money wagered on any race, ~~for~~ sporting *event or other* event.
22 4. The licensee may deduct odd cents less than 10 cents per
23 dollar in paying bets.
24 5. Except as otherwise provided in NRS 464.045 for off-track
25 pari-mutuel wagering, the amount paid to the Nevada Gaming
26 Commission must be, after deducting costs of administration which
27 must not exceed 5 percent of the amount collected, paid over by the
28 Nevada Gaming Commission to the State Treasurer for deposit in
29 the State General Fund.
30 **Sec. 8.** This act becomes effective on July 1, 2017.

