

Amendment No. 1

Assembly Amendment to Assembly Bill No. 114	(BDR 41-97)
Proposed by: Assembly Committee on Judiciary	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of A.B. 114 (§ 11).

ASSEMBLY ACTION		Initial and Date		SENATE ACTION		Initial and Date			
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed 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 that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.



ASSEMBLY BILL NO. 114—ASSEMBLYMEN HORNE, KIRKPATRICK, FRIERSON, HEALEY, BOBZIEN; PAUL ANDERSON, EISEN, ELLISON, FLORES, HARDY, HICKEY AND KIRNER

FEBRUARY 13, 2013

JOINT SPONSORS: SENATORS ATKINSON, KIHUEN, DENIS, SMITH, MANENDO; FORD, HAMMOND AND SETTELMAYER

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing interactive gaming. (BDR 41-97)

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 certain terms related to interactive gaming; **requiring the Nevada Gaming Commission to adopt regulations** authorizing the Governor to enter into agreements with other states to conduct interactive gaming; ~~revising provisions relating to the Gaming Policy Committee;~~ prohibiting the issuance of licenses to operate interactive gaming to certain persons; revising provisions related to interactive gaming; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes certain gaming establishments to obtain a license to operate
 2 interactive gaming. (NRS 463.750) **Sections 2-5** of this bill define certain terms for the
 3 purposes of determining whether a person may be found suitable for a license to operate
 4 interactive gaming. **Section 6** of this bill ~~authorizes~~ **requires the Nevada Gaming**
 5 **Commission to adopt regulations authorizing** the Governor to enter into agreements with
 6 other states to allow patrons of those states to participate in interactive gaming.
 7 ~~Existing law establishes the Gaming Policy Committee and provides for the composition~~
 8 ~~and duties of the Committee. (NRS 463.021) Section 8 of this bill: (1) adds to the Committee~~
 9 ~~a representative of academia who possesses knowledge of matters related to gaming; (2)~~
 10 ~~authorizes the Governor, as Chair of the Committee, to appoint a subcommittee on gaming~~
 11 ~~education; and (3) specifies the duties of the subcommittee.~~
 12 Existing law requires the ~~Nevada Gaming~~ Commission to establish by regulation that a
 13 license to operate interstate interactive gaming does not become effective until: (1) the
 14 passage of federal legislation authorizing interactive gaming; or (2) the United States
 15 Department of Justice notifies the Commission or the State Gaming Control Board that
 16 interactive gaming is permissible under federal law. (NRS 463.750) **Section 10** of this bill
 17 removes the condition that a license to operate interactive gaming does not become effective
 18 until the passage of federal legislation or notice providing that interactive gaming is
 19 permissible under federal law. **Section 10** also prohibits the issuance of a license to operate

20 interactive gaming for a period of ~~10~~ 5 years after the effective date of this bill for certain
 21 entities that, after December 31, 2006, operated interactive gaming involving patrons located
 22 in the United States. Finally, **section 10** authorizes the Commission to waive such prohibition
 23 if the Commission determines that those entities complied with all applicable provisions of
 24 federal law or the law of any state when, after December 31, 2006, those entities operated
 25 interactive gaming involving patrons located in the United States.

26 **Section 11** of this bill ~~increases~~ authorizes the Commission to adopt regulations to
 27 increase or decrease the fees for the initial issuance and the renewal of a license for an
 28 establishment to operate interactive gaming ~~+~~ under certain circumstances. (NRS 463.765)

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 thereto the
 2 provisions set forth as sections 2 to 6, inclusive, of this act.

3 **Sec. 2.** *“Covered asset” means any tangible or intangible asset specifically*
 4 *designed for use in, and used in connection with, the operation of an interactive*
 5 *gaming facility that, after December 31, 2006, knowingly and intentionally*
 6 *operated interactive gaming ~~involving~~ that involved patrons located in the*
 7 *United States, unless and to the extent such activity was licensed at all times by a*
 8 *state or the Federal Government, including, without limitation:*

9 1. *Any trademark, trade name, service mark or similar intellectual property*
 10 *under which an interactive gaming facility was identified to the patrons of the*
 11 *interactive gaming facility;*

12 2. *Any information regarding persons via a database, customer list or any*
 13 *derivative of a database or customer list; and*

14 3. *Any software or hardware relating to the management, administration,*
 15 *development, testing or control of an interactive gaming facility.*

16 **Sec. 3.** 1. *“Covered person” means any person who:*

17 (a) *Has at any time owned, in whole or in significant part, an interactive*
 18 *gaming facility or an entity operating an interactive gaming facility that ~~+~~*

19 ~~*(1) After after December 31, 2006, knowingly and intentionally operated*~~
 20 ~~*interactive gaming ~~involving~~ that involved patrons located in the United States*~~
 21 ~~*~~+~~ and*~~

22 ~~*(2) Acted with knowledge of the fact that such operation of interactive*~~
 23 ~~*gaming involved patrons located in the United States;*~~ *unless and to the extent*
 24 *such activity was licensed at all times by a state or the Federal Government;*

25 (b) *After December 31, 2006, acted, or proposed to act, on behalf of a person*
 26 *described in paragraph (a) and knowingly and intentionally provided, or*
 27 *proposed to provide, to such person any services as an interactive gaming service*
 28 *provider, with knowledge that the interactive gaming facility’s operation of*
 29 *interactive gaming involved patrons located in the United States; or*

30 (c) *Purchased or acquired, directly or indirectly:*

31 (1) *In whole or in significant part, a person described in paragraph (a) or*
 32 *(b); or*

33 (2) *Any covered assets, in whole or in part, of such person.*

34 2. *As used in this section:*

35 (a) *“Interactive gaming service provider” has the meaning ascribed to it in*
 36 *NRS 463.677.*

37 (b) *“Significant part” means with respect to ownership, purchase or*
 38 *acquisition of an entity, interactive gaming facility or person, holding 5 percent*
 39 *or more of the entity, interactive gaming facility or person, or any amount of*

ownership that provides control over the entity, interactive gaming facility or person.

Sec. 4. 1. “Interactive gaming facility” means any Internet website, or similar communications facility in which transmissions may cross any state’s boundaries, through which any person operates interactive gaming through the use of communications technology.

2. As used in this section, “communications technology” has the meaning ascribed to it in NRS 463.016425.

Sec. 5. “Operate interactive gaming” means to operate, carry on, conduct, maintain or expose for play interactive gaming.

Sec. 6. 1. The Commission shall, by regulation, authorize the Governor, on behalf of the State of Nevada, ~~is authorized to:~~

~~1-1~~ (a) Enter into agreements with other states, or authorized agencies thereof, to enable patrons in the signatory states to participate in interactive gaming offered by licensees in those signatory states; and

~~1-2~~ (b) Take all necessary actions to ensure that any agreement entered into pursuant to this section becomes effective.

2. Any regulations adopted pursuant to subsection 1 must:

(a) Set forth provisions for any potential arrangements to share revenue between this State and any other state or agency within another state.

(b) Be adopted in accordance with the provisions of chapter 233B of NRS.

Sec. 7. NRS 463.013 is hereby amended to read as follows:

463.013 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 463.0133 to 463.01967, inclusive, **and sections 2 to 5, inclusive, of this act** have the meanings ascribed to them in those sections.

Sec. 8. ~~NRS 463.021 is hereby amended to read as follows:~~

~~463.021 1. The Gaming Policy Committee, consisting of the Governor as Chair and [10] 11 members, is hereby created.~~

~~2. The Committee must be composed of:~~

~~(a) One member of the Commission, designated by the Chair of the Commission;~~

~~(b) One member of the Board, designated by the Chair of the Board;~~

~~(c) One member of the Senate appointed by the Legislative Commission;~~

~~(d) One member of the Assembly appointed by the Legislative Commission;~~

~~(e) One enrolled member of a Nevada Indian tribe appointed by the Inter-Tribal Council of Nevada, Inc.; and~~

~~(f) Five members appointed by the Governor for terms of 2 years as follows:~~

~~(1) Two representatives of the general public;~~

~~(2) Two representatives of nonrestricted gaming licensees; [and]~~

~~(3) One representative of restricted gaming licensees [;] and~~

~~(4) One representative of academia who possesses knowledge of matters related to gaming.~~

~~3. Members who are appointed by the Governor serve at the pleasure of the Governor.~~

~~4. Members who are Legislators serve terms beginning when the Legislature convenes and continuing until the next regular session of the Legislature is convened.~~

~~5. Except as otherwise provided in subsection 6, the Governor may call meetings of the Gaming Policy Committee for the exclusive purpose of discussing matters of gaming policy. The recommendations concerning gaming policy made by the Committee pursuant to this subsection are advisory and not binding on the Board or the Commission in the performance of their duties and functions.~~

~~6. An appeal filed pursuant to NRS 463.2088 may be considered only by a Review Panel of the Committee. The Review Panel must consist of the members of the Committee who are identified in paragraphs (a), (b) and (c) of subsection 2 and subparagraph (1) of paragraph (f) of subsection 2.~~

~~7. The Governor, as Chair of the Committee, may appoint a subcommittee on gaming education. A subcommittee appointed pursuant to this subsection must:~~

~~(a) Contain not more than five members who serve at the pleasure of the Governor; and~~

~~(b) Be chaired by the person selected by the Governor as chair of the subcommittee.~~

~~8. A subcommittee created pursuant to subsection 7 shall:~~

~~(a) Review and evaluate all public gaming related educational entities in this State, including, without limitation, the Institute for the Study of Gambling and Commercial Gaming of the University of Nevada, Reno, and the UNLV International Gaming Institute of the William F. Harrah College of Hotel Administration of the University of Nevada, Las Vegas, to determine how to align such entities with the needs of the gaming industry in this State;~~

~~(b) Study and analyze the workforce and technology needs of the gaming industry in this State to determine how the public gaming related educational entities may satisfy those needs;~~

~~(c) Study the potential for leveraging gaming related competencies and technologies developed by public gaming related educational entities into other industries; and~~

~~(d) Report any findings and recommendations to the Committee. (Deleted by amendment.)~~

Sec. 9. NRS 463.745 is hereby amended to read as follows:

463.745 The Legislature hereby finds and declares that:

1. The State of Nevada leads the nation in gaming regulation and enforcement, such that the State of Nevada is uniquely positioned to develop an effective and comprehensive regulatory structure related to interactive gaming.

2. A comprehensive regulatory structure, coupled with strict licensing standards, will ensure the protection of consumers, **including minors and vulnerable persons**, prevent fraud, guard against underage and problem gambling, **avoid unauthorized use by persons located in jurisdictions that do not authorize interactive gaming** and aid in law enforcement efforts.

3. To provide for licensed and regulated interactive gaming, ~~and to prepare for possible federal legislation,~~ the State of Nevada must develop the necessary structure for licensure, regulation and enforcement.

Sec. 10. NRS 463.750 is hereby amended to read as follows:

463.750 1. The Commission shall, with the advice and assistance of the Board, adopt regulations governing the licensing and operation of interactive gaming.

2. The regulations adopted by the Commission pursuant to this section must:

(a) Establish the investigation fees for:

(1) A license to operate interactive gaming;

(2) A license for a manufacturer of interactive gaming systems;

(3) A license for a manufacturer of equipment associated with interactive gaming; and

(4) A license for a service provider to perform the actions described in paragraph (a) of subsection 5 of NRS 463.677.

(b) Provide that:

1 (1) A person must hold a license for a manufacturer of interactive gaming
 2 systems to supply or provide any interactive gaming system, including, without
 3 limitation, any piece of proprietary software or hardware;

4 (2) A person may be required by the Commission to hold a license for a
 5 manufacturer of equipment associated with interactive gaming; and

6 (3) A person must hold a license for a service provider to perform the
 7 actions described in paragraph (a) of subsection 5 of NRS 463.677.

8 (c) ~~Set~~ *Except as otherwise provided in subsections 6 to 10, inclusive, set*
 9 forth standards for the suitability of a person to be licensed as a manufacturer of
 10 interactive gaming systems, manufacturer of equipment associated with interactive
 11 gaming or a service provider as described in paragraph (b) of subsection 5 of NRS
 12 463.677 that are as stringent as the standards for a nonrestricted license.

13 (d) Set forth provisions governing:

14 (1) The initial fee for a license for a service provider as described in
 15 paragraph (b) of subsection 5 of NRS 463.677.

16 (2) The fee for the renewal of such a license for such a service provider
 17 and any renewal requirements for such a license.

18 (3) Any portion of the license fee paid by a person licensed to operate
 19 interactive gaming, pursuant to subsection 1 of NRS 463.770, for which a service
 20 provider may be liable to the person licensed to operate interactive gaming.

21 (e) Provide that gross revenue received by an establishment from the operation
 22 of interactive gaming is subject to the same license fee provisions of NRS 463.370
 23 as the games and gaming devices of the establishment, unless federal law otherwise
 24 provides for a similar fee or tax.

25 (f) Set forth standards for the location and security of the computer system and
 26 for approval of hardware and software used in connection with interactive gaming.

27 (g) Define “equipment associated with interactive gaming,” “interactive
 28 gaming system,” “manufacturer of equipment associated with interactive gaming,”
 29 “manufacturer of interactive gaming systems,” “operate interactive gaming” and
 30 “proprietary hardware and software” as the terms are used in this chapter.

31 ~~[(h) Provide that any license to operate interstate interactive gaming does not~~
 32 ~~become effective until:~~

33 ~~— (1) A federal law authorizing the specific type of interactive gaming for~~
 34 ~~which the license was granted is enacted; or~~

35 ~~— (2) The United States Department of Justice notifies the Board or~~
 36 ~~Commission in writing that it is permissible under federal law to operate the~~
 37 ~~specific type of interactive gaming for which the license was granted.]~~

38 3. Except as otherwise provided in subsections 4 and 5, the Commission shall
 39 not approve a license for an establishment to operate interactive gaming unless:

40 (a) In a county whose population is 700,000 or more, the establishment is a
 41 resort hotel that holds a nonrestricted license to operate games and gaming devices.

42 (b) In a county whose population is 45,000 or more but less than 700,000, the
 43 establishment is a resort hotel that holds a nonrestricted license to operate games
 44 and gaming devices or the establishment:

45 (1) Holds a nonrestricted license for the operation of games and gaming
 46 devices;

47 (2) Has more than 120 rooms available for sleeping accommodations in the
 48 same county;

49 (3) Has at least one bar with permanent seating capacity for more than 30
 50 patrons that serves alcoholic beverages sold by the drink for consumption on the
 51 premises;

1 (4) Has at least one restaurant with permanent seating capacity for more
2 than 60 patrons that is open to the public 24 hours each day and 7 days each week;
3 and

4 (5) Has a gaming area that is at least 18,000 square feet in area with at least
5 1,600 slot machines, 40 table games, and a sports book and race pool.

6 (c) In all other counties, the establishment is a resort hotel that holds a
7 nonrestricted license to operate games and gaming devices or the establishment:

8 (1) Has held a nonrestricted license for the operation of games and gaming
9 devices for at least 5 years before the date of its application for a license to operate
10 interactive gaming;

11 (2) Meets the definition of group 1 licensee as set forth in the regulations
12 of the Commission on the date of its application for a license to operate interactive
13 gaming; and

14 (3) Operates either:

15 (I) More than 50 rooms for sleeping accommodations in connection
16 therewith; or

17 (II) More than 50 gaming devices in connection therewith.

18 4. The Commission may:

19 (a) Issue a license to operate interactive gaming to an affiliate of an
20 establishment if:

21 (1) The establishment satisfies the applicable requirements set forth in
22 subsection 3;

23 (2) The affiliate is located in the same county as the establishment; and

24 (3) The establishment has held a nonrestricted license for at least 5 years
25 before the date on which the application is filed; and

26 (b) Require an affiliate that receives a license pursuant to this subsection to
27 comply with any applicable provision of this chapter.

28 5. The Commission may issue a license to operate interactive gaming to an
29 applicant that meets any qualifications established by federal law regulating the
30 licensure of interactive gaming.

31 6. *Except as otherwise provided in subsections 7, 8 and 9:*

32 (a) *A covered person may not be found suitable for licensure under this*
33 *section within ~~10~~ 5 years after the effective date of this act;*

34 (b) *A covered person may not be found suitable for licensure under this*
35 *section unless such covered person expressly submits to the jurisdiction of the*
36 *United States and of each state in which patrons of interactive gaming operated*
37 *by such covered person after December 31, 2006, were located, and agrees to*
38 *wave any statutes of limitation, equitable remedies or laches that otherwise*
39 *would preclude prosecution for a violation of any provision of federal law or the*
40 *law of any state in connection with such operation of interactive gaming after*
41 *that date;*

42 (c) *A person may not be found suitable for licensure under this section*
43 *within ~~10~~ 5 years after the effective date of this act if such person uses a covered*
44 *asset for the operation of interactive gaming; and*

45 (d) *Use of a covered asset is grounds for revocation of an interactive gaming*
46 *license, or a finding of suitability, issued under this section.*

47 7. *The Commission, upon recommendation of the Board, may waive the*
48 *requirements of subsection 6 if the Commission determines that:*

49 (a) *In the case of a covered person described in paragraphs (a) and (b) of*
50 *subsection 1 of section 3 of this act:*

51 (1) *The covered person did not violate, directly or indirectly, any*
52 *provision of federal law or the law of any state in connection with the ownership*
53 *and operation of, or provision of services to, an interactive gaming facility that,*

1 after December 31, 2006, operated interactive gaming involving patrons located
2 in the United States; and

3 (2) The assets to be used or that are being used by such person were not
4 used after that date in violation of any provision of federal law or the law of any
5 state;

6 (b) In the case of a covered person described in paragraph (c) of subsection 1
7 of section 3 of this act, the assets that the person will use in connection with
8 interactive gaming for which the covered person applies for a finding of
9 suitability were not used after December 31, 2006, in violation of any provision of
10 federal law or the law of any state; and

11 (c) In the case of a covered asset, the asset was not used after December 31,
12 2006, in violation of any provision of federal law or the law of any state, and the
13 interactive gaming facility in connection with which the asset was used was not
14 used after that date in violation of any provision of federal law or the law of any
15 state.

16 8. With respect to a person applying for a waiver pursuant to subsection 7,
17 the Commission shall ~~initiate a proceeding to~~ afford the person an opportunity
18 to be heard and present relevant evidence. ~~[Such proceeding must be conducted~~
19 ~~pursuant to NRS 463.3125 to 463.3145, inclusive, except to the extent~~
20 ~~inconsistent with this subsection.]~~ The Commission shall act as finder of fact and
21 is entitled to evaluate the credibility of witnesses and persuasiveness of the
22 evidence. The affirmative votes of a majority of the whole Commission are
23 required to grant or deny such waiver. The Board shall make appropriate
24 investigations to determine any facts or recommendations that it deems necessary
25 or proper to aid the Commission in making determinations pursuant to this
26 subsection and subsection 7.

27 9. The Commission shall make a determination pursuant to subsections 7
28 and 8 with respect to a covered person or covered asset without regard to whether
29 the conduct of the covered person or the use of the covered asset was ever the
30 subject of a criminal proceeding for a violation of any provision of federal law or
31 the law of any state, or whether the person has been prosecuted and the
32 prosecution terminated in a manner other than with a conviction.

33 10. ~~[Any person applying for a waiver pursuant to subsection 7 may seek~~
34 ~~judicial review of the Commission's determination pursuant to NRS 463.315 to~~
35 ~~463.318, inclusive.~~

36 ~~11.]~~ It is unlawful for any person, either as owner, lessee or employee,
37 whether for hire or not, either solely or in conjunction with others, to operate
38 interactive gaming:

39 (a) Until the Commission adopts regulations pursuant to this section; and

40 (b) Unless the person first procures, and thereafter maintains in effect, all
41 appropriate licenses as required by the regulations adopted by the Commission
42 pursuant to this section.

43 ~~7.]~~ ~~11.]~~ 11. A person who violates subsection ~~6.]~~ ~~11.]~~ 10 is guilty of a
44 category B felony and shall be punished by imprisonment in the state prison for a
45 minimum term of not less than 1 year and a maximum term of not more than 10
46 years or by a fine of not more than \$50,000, or both.

47 **Sec. 11.** NRS 463.765 is hereby amended to read as follows:

48 463.765 1. Unless a different fee is established pursuant to this section:

49 (a) Before issuing an initial license for an establishment to operate interactive
50 gaming, the Commission shall charge and collect from the establishment a license
51 fee of \$500,000. ~~[\$1,000,000.]~~

1 ~~2~~ *(b)* Each initial license for an establishment to operate interactive gaming
2 must be issued for a 2-year period beginning on January 1 of the first year and
3 ending on December 31 of the second year.

4 ~~3~~ *(c)* Notwithstanding the provisions of ~~subsections 1 and 2~~ paragraphs
5 (a) and (b) to the contrary, a license for an establishment to operate interactive
6 gaming may be issued after January 1 of a calendar year for a period beginning on
7 the date of issuance of the license and ending on the second December 31 following
8 the date of issuance of the license. Before issuing an initial license pursuant to this
9 subsection, the Commission shall charge and collect from the establishment a
10 license fee of ~~\$500,000~~ ~~(\$1,000,000)~~ prorated by 1/24 for each full month between
11 January 1 of the calendar year and the date of issuance of the license.

12 ~~4~~ *(d)* Before renewing a license issued pursuant to this section, but in no
13 case later than the second December 31 after the license was issued or previously
14 renewed, the Commission shall charge and collect a renewal fee of ~~\$500,000~~
15 ~~(\$250,000)~~ for the renewal of the license for the immediately following 1-year
16 period.

17 2. The Commission may, by regulation, increase the license fee pursuant to
18 this section to not more than \$1,000,000 and the renewal fee to not more than
19 \$500,000 if the Commission determines one or more of the following:

20 (a) A higher fee is necessary to ensure licensees have the financial capacity
21 to operate interactive gaming;

22 (b) Regulatory costs to carry out the duties of the Commission and the
23 Board, outside of investigative costs, require additional personnel or other
24 regulatory expenditures;

25 (c) A higher fee is necessary because of costs incurred or other conditions
26 associated with entering into an interactive gaming agreement with one or more
27 other states; or

28 (d) Federal legislation requires a higher fee or imposes requirements
29 necessitating the higher fee or making it advisable.

30 3. The Commission may, by regulation, reduce the license fee pursuant to
31 this section to not less than \$150,000 and the renewal fee to not less than \$75,000
32 in the manner provided in this subsection. Any regulation adopted pursuant to
33 this subsection must be adopted in accordance with the provisions of chapter
34 233B of NRS, and the Commission must not reduce the fees unless it determines
35 two or more of the following:

36 (a) The fee is not competitive with fees charged in other jurisdictions;

37 (b) The low number of applicants demonstrates that the fee is too high;

38 (c) A lower fee would generate greater competition in the market;

39 (d) A lower fee is necessary because of conditions associated with entering
40 into an interactive gaming agreement with one or more other states; or

41 (e) Federal legislation requires a lower fee or makes a lower fee advisable.

42 4. Any increase or decrease in fees established by the Commission pursuant
43 to this section applies to the issuance or renewal of a license on or after the
44 effective date of the increase or decrease.

45 **Sec. 12.** ~~[NRS 463.770 is hereby amended to read as follows:~~

46 ~~463.770 1. [Unless federal law otherwise provides for a similar fee or tax,~~
47 ~~all] All gross revenue from operating interactive gaming received by an~~
48 ~~establishment licensed to operate interactive gaming, regardless of whether any~~
49 ~~portion of the revenue is shared with another person, must be attributed to the~~
50 ~~licensee and counted as part of the gross revenue of the licensee for the purpose of~~
51 ~~computing the license fee required by NRS 463.370.~~

52 ~~2. A manufacturer of interactive gaming systems who is authorized by an~~
53 ~~agreement to receive a share of the revenue from an interactive gaming system~~

~~from an establishment licensed to operate interactive gaming is liable to the establishment for a portion of the license fee paid pursuant to subsection 1. The portion for which the manufacturer of interactive gaming systems is liable is 6.75 percent of the amount of revenue to which the manufacturer of interactive gaming systems is entitled pursuant to the agreement.~~

~~3. For the purposes of subsection 2, the amount of revenue to which the manufacturer of interactive gaming systems is entitled pursuant to an agreement to share the revenue from an interactive gaming system:~~

~~(a) Includes all revenue of the manufacturer of interactive gaming systems that is the manufacturer of interactive gaming systems' share of the revenue from the interactive gaming system pursuant to the agreement; and~~

~~(b) Does not include revenue that is the fixed purchase price for the sale of a component of the interactive gaming system. **(Deleted by amendment.)**~~

Sec. 12.5. NRS 233B.039 is hereby amended to read as follows:

233B.039 1. The following agencies are entirely exempted from the requirements of this chapter:

(a) The Governor.

(b) Except as otherwise provided in NRS 209.221, the Department of Corrections.

(c) The Nevada System of Higher Education.

(d) The Office of the Military.

(e) The State Gaming Control Board.

(f) Except as otherwise provided in NRS 368A.140 ~~+~~ **and 463.765 and section 6 of this act,** the Nevada Gaming Commission.

(g) The Division of Welfare and Supportive Services of the Department of Health and Human Services.

(h) Except as otherwise provided in NRS 422.390, the Division of Health Care Financing and Policy of the Department of Health and Human Services.

(i) The State Board of Examiners acting pursuant to chapter 217 of NRS.

(j) Except as otherwise provided in NRS 533.365, the Office of the State Engineer.

(k) The Division of Industrial Relations of the Department of Business and Industry acting to enforce the provisions of NRS 618.375.

(l) The Administrator of the Division of Industrial Relations of the Department of Business and Industry in establishing and adjusting the schedule of fees and charges for accident benefits pursuant to subsection 2 of NRS 616C.260.

(m) The Board to Review Claims in adopting resolutions to carry out its duties pursuant to NRS 590.830.

(n) The Silver State Health Insurance Exchange.

2. Except as otherwise provided in subsection 5 and NRS 391.323, the Department of Education, the Board of the Public Employees' Benefits Program and the Commission on Professional Standards in Education are subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.

3. The special provisions of:

(a) Chapter 612 of NRS for the distribution of regulations by and the judicial review of decisions of the Employment Security Division of the Department of Employment, Training and Rehabilitation;

(b) Chapters 616A to 617, inclusive, of NRS for the determination of contested claims;

(c) Chapter 91 of NRS for the judicial review of decisions of the Administrator of the Securities Division of the Office of the Secretary of State; and

(d) NRS 90.800 for the use of summary orders in contested cases,

1 ↪ prevail over the general provisions of this chapter.

2 4. The provisions of NRS 233B.122, 233B.124, 233B.125 and 233B.126 do
3 not apply to the Department of Health and Human Services in the adjudication of
4 contested cases involving the issuance of letters of approval for health facilities and
5 agencies.

6 5. The provisions of this chapter do not apply to:

7 (a) Any order for immediate action, including, but not limited to, quarantine
8 and the treatment or cleansing of infected or infested animals, objects or premises,
9 made under the authority of the State Board of Agriculture, the State Board of
10 Health, or any other agency of this State in the discharge of a responsibility for the
11 preservation of human or animal health or for insect or pest control;

12 (b) An extraordinary regulation of the State Board of Pharmacy adopted
13 pursuant to NRS 453.2184;

14 (c) A regulation adopted by the State Board of Education pursuant to NRS
15 392.644 or 394.1694; or

16 (d) The judicial review of decisions of the Public Utilities Commission of
17 Nevada.

18 6. The State Board of Parole Commissioners is subject to the provisions of
19 this chapter for the purpose of adopting regulations but not with respect to any
20 contested case.

21 **Sec. 13.** This act becomes effective upon passage and approval.