



Nevada Legislature Authorizes Registration of Certain Nightclub Employees and Associated Equipment Manufacturers

On May 30, 2015, the Governor of Nevada approved Senate Bill 38 (SB 38).

SB 38 amends the Nevada Gaming Control Act to: (a) expand which organizations may offer charitable lotteries; (b) require the registration of certain nightclub employees; and (c) require the registration of certain manufacturers of associated equipment.

First, SB 38 amends the definition of “qualified organizations” that can conduct charitable lotteries to now include alumni organizations and state and local legal bar associations, subject to certain pre-existing limitations on the prize awards and frequency of drawings.

Second, SB 38 requires the Nevada Gaming Commission (the Commission), with the advice and assistance of the Nevada Gaming Control Board (the Board), to adopt regulations to provide for the registration of certain “club venue employees” and certain third party contractors that provide services to a “club venue.” A “club venue employee” is defined as a natural person or a third party contractor who provides to a “club venue” hosting and VIP services, and any other person the Commission determines should be registered in order to further the State’s public policy on the strict regulation of gaming. A “club venue” is defined as a venue within a nonrestricted gaming establishment that prohibits minors from entering, is licensed to serve alcohol, allows dancing, and offers live music, a disc jockey, or an emcee. SB 38 provides that: (1) club venue employees will be deemed “gaming employees” in regards to the registration and administration of such employees and (2) third party contractors will be treated similar to “independent agents” under the Commission’s existing Regulation 25.

Third, SB 38 requires the Commission, with the advice and assistance of the Board, to adopt regulations prescribing the manner and method to approve associated equipment and to require persons who manufacture or distribute associated equipment to be registered by the Commission if the associated equipment: (a) is directly used in gaming; (b) can add or subtract cash or wagering credits to a game, gaming device or cashless wagering system; (c) affects the operation of a game, gaming device, cashless wagering system or other associated equipment; (d) is used directly or indirectly to report gross gaming revenue; (e) is used to record sales subject to the Live Entertainment Tax; or (f) is otherwise determined to be integral to the protection of the public and regulated gaming. The Commission's regulations shall also establish various degrees of review of an applicant for registration depending on the form of associated equipment. Additionally, SB 38 provides that a manufacturer or distributor of associated equipment who has complied with all applicable regulations before Oct. 1, 2015, will be deemed registered pursuant to SB 38.

The Board will commence public workshops regarding the proposed regulations which will eventually be considered by the Commission for adoption at a public hearing.

About Greenberg Traurig's Global Gaming Practice

Greenberg Traurig's Global Gaming Practice Group focuses not only on casino operations, but also address lotteries, pari-mutuel wagering, charitable gaming and Internet gaming, where permitted by law. Members of the group have varied backgrounds and are located throughout 36 of the firm's offices, allowing them to assist gaming clients in this highly regulated industry across multiple jurisdictions. The group's focus includes the representation of manufacturers and suppliers, private equity firms and investment banks on gaming related matters.

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