

## Nevada Bill Bids To Streamline Gaming Regulations

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The Assembly Committee on Judiciary will hold its second hearing Friday on a bill sponsored by the Nevada Gaming Control Board (NGCB) to streamline the approval process for some gaming equipment manufacturers.

**Assembly Bill 75** also proposes to increase the gaming control board chairman's power to launch confidential investigations, and makes a change to the licensing requirements of employee stock ownership plans.

"What we are proposing ... is clarifying some regulations," chairman A.G. Burnett told the Assembly judiciary committee during the bill's first hearing on Friday.

Among the proposed changes are a provision to allow game developers to avoid the need to get licensed in Nevada, provided an existing licensee in the right category takes full responsibility for their product.

Burnett told the judiciary committee that he did not see any "regulatory risk for a licensee in good standing."

Marcus Prater, executive director of the Association of Gaming Equipment Manufacturers (AGEM), said AGEM "is in support of the bill and expressed our approval to the gaming control board during the draft process."

Assemblyman Justin Watkins, a Democrat from Las Vegas, expressed his concern about one license holder "spreading its license through so many unlicensed operators."

But Burnett assured Watkins and other members of the judiciary committee that the control board would not allow "front or shell [companies] to start flooding Nevada with products."

Burnett reminded Watkins that regulators have the power to call anyone before the control board if they believe there is a problem or issue with the licensee.

AB 75 would also allow Burnett and future control board chairmen, without oversight, to launch any confidential investigations as long as they are paid for by money from any source other than the state's general fund.

According to the control board, \$30,000 is set aside for covert investigations. The bill establishes the NGCB Revolving Account for these investigations, according to the bill.

Another provision of AB 75 would transfer “certain duties” when it comes to adopting regulations relating to the approval of associated gaming equipment from the Nevada Gaming Commission to the Nevada Gaming Control Board.

“It doesn’t eliminate the commission from the entire process; the [commission] will still of course regulate them in terms of creating associated equipment-related regulations, any disciplinary action,” and other issues, Burnett said Wednesday in an email.

Associated equipment, or AE, is a category of gaming equipment that is distinct from gaming devices, such as slot machines or table games.

As defined, the term encompasses dice, playing cards, systems that connect to progressive slot machines and equipment that affects the proper reporting of gross revenue.

The category also includes computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines, and devices for weighing or counting money.

Burnett said gaming regulators have tried to streamline the process of getting gaming technology out to casinos quicker.

“In the case of AE, we are streamlining the ‘front end’ of the process for registration of AE,” Burnett said. “Instead of two hearings, for example, there will be only one. This was a change we’d been looking at for some time, especially after the legislative session of 2015.”

AB 75 is not the only one of the 200 bills proposed so far in Nevada’s biennial legislative session with a potentially significant impact on the state’s gaming industry.

## Raising the Minimum Wage

Nevada’s minimum wage would increase under two bills being considered in Carson City.

**Senate Bill 106** would increase the minimum wage to a tiered \$11 and \$12 over a five-year period.

The state’s current minimum wage is a tiered system of \$7.25 an hour or \$8.25 an hour based on whether or not the employer offers health insurance.

Meanwhile, **Assembly Bill 175** would raise the minimum wage to a similar tiered system of \$14 and \$15 an hour over several years through incremental \$1.25 annual increases.

The two bills might not be the last proposals introduced this year to raise the minimum wage, Virginia Valentine, president of the Nevada Resort Association (NRA), said in an email.

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“Wages in most gaming industry jobs exceed the current minimum wage and include other benefits like health care,” said Virginia Valentine, president of the Nevada Resort Association. “Wages are an important component but there are several other factors that impact total compensation and those should be considered in any conversation about wages.”

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Valentine said the NRA would be following these bills very closely.

“While we have initial concerns about the bills, we’d like to see all the legislation on this topic fully vetted before commenting,” Valentine said.

The chances of either wage bill passing or their impact on the gaming industry are still unclear, since a large number of the industry’s employees are covered by collective bargaining agreements.

Geoconda Arguello-Kline, secretary-treasurer for the Culinary Union, said Wednesday that the union, which represents about 55,000 workers in Nevada, supports raising the minimum wage.

“But, it’s just the start,” Arguello-Kline said. “To really change working people’s lives, they need a union to secure fair wages, job security, a pension and good health benefits. When workers do well our community benefits.”

The average Culinary Union member on the Las Vegas Strip makes about \$23 an hour, including benefits.

The Las Vegas Metro Chamber of Commerce, which represents businesses in southern Nevada, issued a statement Wednesday opposed to any increase in the minimum wage.

Kristin McMillan, president and CEO of the chamber, said she was “deeply concerned” about the potential impact of AB 175 on Nevada’s employers and employees.

McMillan added that the chamber could not support a bill that has such a high potential of hurting job creation, and adversely affecting the stability of existing jobs in Nevada.

## Gambling At 18

Elsewhere, Nevada Republican Assemblyman Jim Wheeler has sponsored a bill to lower Nevada’s minimum gambling age from 21 to 18 years.

**Assembly Bill 86** would also allow those 18 and older to hang out in a casino or sports book and be employed on the casino floor, except in the counting room.

Wheeler argues that if someone is old enough to serve in the military than they should be able to come to Las Vegas or Reno and have a good time.

However, the lower gambling age is not something being pushed by casino operators.

"We are not aware of any compelling benefits from doing this yet there are uncertain risks. Absent a clear policy rationale, we are opposed," Valentine said in an email.

Other bills introduced so far this year in Nevada include [Senate Bill 120](#), to revise rules relating to problem gambling, including the membership and duties of an advisory committee on problem gambling.

The measure also revises provisions in Nevada law relating to the deposit of money in an account to support programs for the prevention and treatment of problem gambling in Nevada.

Existing law requires the Nevada Gaming Commission to make quarterly deposits equal to \$2 for each slot machine deployed by casino licensees.

SB 120 would instead require the commission to deposit into the account a portion of the total revenue collected from such license fees.

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