

1 **BILL NO. 2013-32**

2 **ORDINANCE NO. _____**

3 AN ORDINANCE TO UPDATE THE CITY'S GAMING REGULATIONS TO ADD BUSINESS
4 LICENSE CATEGORIES AND FEES FOR OPERATORS OF INTERACTIVE GAMING,
5 INTERACTIVE GAMING SERVICE PROVIDERS AND MANUFACTURERS OF INTERACTIVE
6 GAMING SYSTEMS, AND TO PROVIDE FOR OTHER RELATED MATTERS.

6 Proposed by: Flinn Fagg, Director of Planning

Summary: Updates the City's gaming regulations to add business license categories and fees for operators of interactive gaming, interactive gaming service providers and manufacturers of interactive gaming systems.

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9 THE CITY COUNCIL OF THE CITY OF LAS VEGAS DOES HEREBY ORDAIN
10 AS FOLLOWS:

11 SECTION 1: Title 6, Chapter 40, Section 20, of the Municipal Code of the City of
12 Las Vegas, Nevada, 1983 Edition, is hereby amended to read as follows:

13 **6.40.020:** As used in this Chapter, unless the context otherwise requires, the following words
14 shall have the meaning ascribed:

15 [(A)] "Game" or "gambling game" means any banking or percentage game played with cards,
16 dice or any mechanical, electromechanical or electronic device or machine for money, property,
17 checks, credit or any representative of value, including, without limiting the generality of the
18 foregoing, faro, monte, roulette, keno, bingo, fan-tan, twenty-one, blackjack, seven-and-a-half, big
19 injun, klondike, craps, poker chuck-a-luck, Chinese chuck-a-luck (dai shu), wheel of fortune, chemin
20 de fer, baccarat, pai gow, beat the banker, panguingui, slot machine, or any other game or device
21 approved by the Nevada Gaming Commission, but does not include social games played solely for
22 drinks, or cigars or cigarettes served individually, or games played in private homes or residences for
23 prizes or games operated by charitable or educational organizations which have been approved by the
24 State Gaming Control Board. For purposes of this Chapter, a "game" or "gambling game" does not
25 include interactive gaming systems or any of the above games offered to persons for play exclusively
26 by, through or over an interactive gaming system.

27 [(B)] "Gaming" or "gambling" means to deal, operate, carry on, conduct, maintain or expose
28 for play any game, interactive gaming, sports book, parimutuel or any other form of wagering.

1 “Gross revenue” is defined at NRS 463.0161.

2 “Interactive gaming” is defined at NRS 463.016425.

3 “Interactive gaming system” means the collective hardware, software communications
4 technology, and proprietary hardware and software specifically designed or modified for, and intended
5 for use in, the conduct of interactive gaming.

6 “Interactive gaming service provider” means a person who acts on behalf of an operator
7 of interactive gaming and:

8 (1) Manages, administers or controls wagers that are initiated, received or
9 made on an interactive gaming system;

10 (2) Manages, administers or controls the games with which wagers that are
11 initiated, received or made on an interactive gaming system are associated;

12 (3) Maintains or operates the software or hardware of an interactive gaming
13 system;

14 (4) Provides the trademarks, trade names, service marks or similar
15 intellectual property under which an operator of interactive gaming identifies its interactive gaming
16 system to patrons;

17 (5) Provides information regarding persons to an operator of interactive
18 gaming via a database or customer list; or

19 (6) Provides products, services, information or assets to an operator of
20 interactive gaming and receives therefor a percentage of gaming revenue from the establishment’s
21 interactive gaming system.

22 For the purposes of this definition, a manufacturer of interactive gaming systems licensed by the
23 Nevada Gaming Commission that receives a share of revenue from an interactive gaming system
24 operated on behalf of a licensed operator of interactive gaming within the City is deemed to be an
25 interactive service provider.

26 “Interstate interactive gaming” means interactive gaming activities that occur between
27 persons within the state of Nevada and persons outside of the boundaries of the state of Nevada.

28 “Intrastate interactive gaming” means interactive gaming activities that occur between

1 persons only within the boundaries of the state of Nevada.

2 [(C)] “Nonrestricted license” and “nonrestricted gaming” means a gaming license for, or an
3 operation consisting of, sixteen or more slot machines or a license for, or an operation consisting of,
4 any number of slot machines together with any other game, gaming device, race book, or sports pool
5 at one establishment.

6 “Operator of interactive gaming” means a person who is licensed for the operation of
7 interactive gaming.

8 [(D)] “Race book information service” means any person, who receives such broadcast, who
9 furnishes an operator of a race book, sports pool or gambling game who is licensed in the State with
10 information that relates to horseracing or other racing which is used to determine the winners of, or
11 payoffs, on, wagers that are accepted by such operator.

12 [(E)] “Racehorse book” or “race book” means a sports pool on horseraces.

13 [(F)] “Resort hotel” means a building or a group of buildings which are designed and
14 integrated to clearly demonstrate the appearance of one facility wherein:

15 (1) Sleeping accommodations are provided in guestrooms at daily rates to
16 tourists and transient guests;

17 (2) No provision is made for cooking food in any guestroom, except as
18 permitted by the provisions of this Chapter;

19 (3) There is a gaming area within the building or group of buildings;

20 (4) There are more than two hundred guestrooms available for sleeping
21 accommodations;

22 (5) There is integrated in the facility near the area where licensed games are
23 provided at least one restaurant with permanent seating capacity for more than sixty patrons that is
24 open to the public twenty-four hours each day and seven days each [wee;] week;

25 (6) There is a lobby near the restaurant and licensed games for the guests
26 to check in and out and receive messages; and

27 (7) There is at least [on] one bar with permanent seating capacity for more
28 than thirty persons that serves alcoholic beverages sold by the drink for consumption on the premises.

1 [(G)] "Restricted license" and "restricted gaming" means a gaming license for, or an
2 operation consisting of, not more than fifteen slot machines, incidental to the primary business at the
3 establishment, and no other game or gaming device at the establishment.

4 [(H)] "Slot machine" means any mechanical, electrical or other device, contrivance or
5 machine which, upon insertion of a coin, token or similar object therein, or upon payment of any
6 consideration whatsoever, is available to play or operate, the play or operation of which, whether by
7 reason of the skill of the operator or application of the element of chance, or both, may deliver or
8 entitle the person playing or operating the machine to receive cash, premiums, merchandise, tokens
9 or anything of value whatsoever, whether the payoff is made automatically from the machine or in any
10 other manner whatsoever.

11 If a machine has multiple capacities the Director [of Business Activity] shall make a determination,
12 consistent with the determination made by the State Gaming Control Board, whether the machine
13 constitutes two or more slot machines for the purpose of this Chapter based on the number of payout
14 devices, coin receptacles or slots, handles or other devices for multiple players, or means of
15 determining winnings.

16 [(I)] "Slot operator" means a licensee engaged in the business of placing slot machines upon
17 the business premises of another under any agreement whereby consideration is paid or is payable for
18 the placement of such slot machines, whether the consideration is measured by a percentage of
19 revenue derived from such machines or by a fixed fee or otherwise.

20 [(J)] "Sports pool" means the business of accepting wagers on sporting events by any system
21 or method of wagering other than the system known as the parimutuel method of wagering.

22 SECTION 2: Title 6, Chapter 40, Section 30, of the Municipal Code of the City of
23 Las Vegas, Nevada, 1983 Edition, is hereby amended to read as follows:

24 **6.40.030:** (A) Except as otherwise provided in Subsections (B) and (C), [No] no person shall:

25 [(A)] (1) Deal, operate, carry on, conduct, maintain or expose for play in the City
26 any game or interactive gaming, or operate, carry on, conduct or maintain any interstate or intrastate
27 interactive gaming system, sports pool, parimutuel wagering or any other form of wagering;

28 [(B)] (2) Provide or maintain any information service the primary purpose of

1 which is to aid the placing or making of wagers on events of any kind; or

2 [(C)] (3) Receive any compensation or reward, or any percentage or share of the
3 money or property played, for keeping, running or carrying on any game, interactive gaming, interstate
4 or intrastate interactive gaming system, slot machine or sports pool,

5 ➡without having first procured, and thereafter maintaining a valid, unexpired license pursuant to this
6 Code.

7 (B) Subsection (A) does not require an operator of interactive gaming licensed by
8 the State of Nevada at a location outside of the City's corporate boundaries to obtain and thereafter
9 maintain a license.

10 (C) Subsection (A) does not require an interactive gaming service provider that does
11 not furnish an interactive gaming system, or provide any service of any kind, to an operator of
12 interactive gaming that is within the City's corporate boundaries to obtain and thereafter maintain a
13 license.

14 SECTION 3: Title 6, Chapter 40, Section 40, of the Municipal Code of the City of
15 Las Vegas, Nevada, 1983 Edition, is hereby amended to read as follows:

16 **6.40.040:** It is unlawful for any person knowingly to permit any gaming or interactive gaming to
17 be conducted, operated, dealt or carried on in any house or building or other premises owned by him,
18 in whole or in part, except by a person who is licensed hereunder, or his employee.

19 SECTION 4: Title 6, Chapter 40, of the Municipal Code of the City of Las Vegas,
20 Nevada, 1983 Edition, is hereby amended by adding a new section, designated as Section 111, reading
21 as follows:

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1 **6.40.111:** Each licensee shall pay to the Department, in advance annually, the following flat
2 license fees:

3 (A) Operator of interstate interactive gaming – 4 gross revenue received from the operation of interstate interactive gaming during the prior fiscal year from \$0 - \$3,000,000.00	\$5,000.00
5 (B) Operator of interstate interactive Gaming – 6 gross revenue received from operation of interstate interactive gaming during the prior fiscal year from \$3,000,001.00 - \$10,000,000.00	\$25,000.00
7 (C) Operator of interstate interactive gaming – 8 gross revenue received from operation of interstate interactive gaming during the prior fiscal year from \$10,000,001.00 - \$20,000,000.00	\$50,000.00
9 (D) Operator of interstate interactive gaming – 10 gross revenue received from operation of interstate interactive 11 gaming during the prior fiscal year greater than \$20,000,000.00 12 13 14 15 16 17	\$50,000.00 plus an annual increase equal to the Consumer Price Index for all urban consumers (CPI- U) for all items published by the United States Department of Labor for the preceding year. Such increase shall be based upon the annual year average ended on December 31st and will be calculated upon the previous year's total fee due. There shall be no adjustment if the CPI-U decreases on a year-to-year basis.
18 (E) Operator of intrastate interactive gaming	\$1,000.00
19 (F) Interactive gaming service provider	\$1,000.00

20 SECTION 5: Title 6, Chapter 40, of the Municipal Code of the City of Las Vegas,
21 Nevada, 1983 Edition, is hereby amended by adding a new section, designated as Section 115, reading
22 as follows:

23 **6.40.115:** A person that holds an interstate interactive gaming license may offer interactive
24 gaming to persons within the boundaries of the State of Nevada without also holding an intrastate
25 interactive gaming license.

26 SECTION 6: Title 6, Chapter 40, Section 120, of the Municipal Code of the City of
27 Las Vegas, Nevada, 1983 Edition, is hereby amended to read as follows:

28 **6.40.120:** (A) Each semiannual fee is due in advance on April 1st and October 1st in each

1 year.

2 ~~(B)~~ Each annual fee is due in advance on April 1st in each year.

3 ~~(C)~~ The first annual fee for an operator of intrastate interactive gaming shall be
4 \$5,000.00, and notwithstanding Subsection (D), below, no proration of such fee shall occur based
5 upon the date of application.

6 ~~[(B)]~~ ~~(D)~~ Applicants who receive license approval on a date other than such due dates
7 shall have their license fees prorated on a monthly basis.

8 ~~[(C)]~~ ~~(E)~~ License fees paid pursuant to LVMC 6.40.110 and LVMC 6.40.111 are not
9 refundable.

10 SECTION 7: Title 6, Chapter 40, of the Municipal Code of the City of Las Vegas,
11 Nevada, 1983 Edition, is hereby amended by adding a new section, designated as Section 153, reading
12 as follows:

13 **6.40.153:** Interactive gaming shall only be conducted at a location as permitted under all relevant
14 State statutes and regulations.

15 SECTION 8: If any section, subsection, subdivision, paragraph, sentence, clause or
16 phrase in this ordinance or any part thereof is for any reason held to be unconstitutional or invalid or
17 ineffective by any court of competent jurisdiction, such decision shall not affect the validity or
18 effectiveness of the remaining portions of this ordinance or any part thereof. The City Council of the
19 City of Las Vegas hereby declares that it would have passed each section, subsection, subdivision,
20 paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections,
21 subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional,
22 invalid or ineffective.

23 SECTION 9: Whenever in this ordinance any act is prohibited or is made or declared
24 to be unlawful or an offense or a misdemeanor, or whenever in this ordinance the doing of any act is
25 required or the failure to do any act is made or declared to be unlawful or an offense or a
26 misdemeanor, the doing of such prohibited act or the failure to do any such required act shall
27 constitute a misdemeanor and upon conviction thereof, shall be punished by a fine of not more than
28 \$1,000.00 or by imprisonment for a term of not more than six months, or by any combination of such

1 fine and imprisonment. Any day of any violation of this ordinance shall constitute a separate offense.

2 SECTION 10: All ordinances or parts of ordinances or sections, subsections, phrases,
3 sentences, clauses or paragraphs contained in the Municipal Code of the City of Las Vegas, Nevada,
4 1983 Edition, in conflict herewith are hereby repealed.

5 PASSED, ADOPTED and APPROVED this _____ day of _____, 2013.

6 APPROVED:

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8 By CAROLYN G. GOODMAN, Mayor

9 ATTEST:

10 BEVERLY K. BRIDGES, MMC
11 City Clerk

12 APPROVED AS TO FORM:

13 *Val Steed* 6-25-13
14 Date

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1 The above and foregoing ordinance was first proposed and read by title to the City Council on the
2 ____ day of _____, 2013, and referred to a committee for recommendation, the
3 committee being composed of the following members _____
4 _____; thereafter the said committee reported favorably on said ordinance on the
5 ____ day of _____, 2013, which was a _____ meeting of said
6 Council; that at said _____ meeting, the proposed ordinance was read by title
7 to the City Council as first introduced and adopted by the following vote:

8 VOTING "AYE": _____

9 VOTING "NAY": _____

10 ABSENT: _____

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12 APPROVED:

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14 By _____
CAROLYN G. GOODMAN, Mayor

15 ATTEST:

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17 BEVERLY K. BRIDGES, MMC
City Clerk

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