



Senate Bill 240: Creating Parity for Pari-Mutuel-Boyd Law School Students Contribute to Nevada's Body of Gaming Law

By Gregory R. Gemignani

For the 79th Session of the Nevada Legislature, the Boyd School of Law's Gaming Law Policy class drafted and lobbied for Senate Bill 240 ("SB240"), which revises the Nevada statutes to expressly state that all forms of sports pool wagers may be taken through a pari-mutuel system of wagering. The Gaming Law Policy class, which was started by Bob Faiss to help train the next generation of gaming attorneys,¹ chose this as the topic for their 2017 legislative project because they believed that the change brought by SB240 helps harmonize NRS 464 with NRS 463.0193.

A BIT OF HISTORY

Nevada sports books have long taken wagers in multiple ways on a varied set of events. In 1972, Regulation 22² was created to more specifically address race and sports book activities that had previously been addressed under Regulation 5.020.³ At that time, Regulation 22.010(9) defined a "sports pool" as follows:

"Sports pool" means any person who is a bookmaker catering to, or specializing in, the acceptance of wagers upon the outcome of any professional or amateur athletic sporting event.⁴

This definition remained the only definition in Nevada statutes and regulations until the 1975 legislature adopted the following statutory definition of a sports pool:

"Sports pool" means the business of accepting wagers on sporting events by any system or method of wagering other than the system known as the pari-mutuel method of wagering.⁵

The exclusion of pari-mutuel sports wagering from the definition was because pari-mutuel wagering on sporting events was addressed in NRS 464, a statutory section dedicated to pari-mutuel wagering. Specifically, NRS 464.010 requires a license to conduct pari-mutuel wagering on any sporting event.



Despite the statutory definition, the regulatory definition of a sports pool remained unchanged until 1985, when the Nevada Gaming Commission adopted the following definition:

“Sports pool” means a business that accepts wagering on sports events or other events, other than horse or other races. The term includes, but is not limited to, a business that accepts sports parlay card wagers as defined in regulation 22.090.⁶

In 1985, the Nevada Legislature also adopted a definition for “race book” which reinforced the interpretation that race and sports are two separate licensing categories. The definition enacted is as follows:

“Race book” means the business of accepting wagers upon the outcome of any event held at a track which uses the pari-mutuel system of wagering.⁷

The reasons for adding a separate definition for a “race book” was to clarify that race book wagering occurred on all off-track race wagering.⁸ This was important because NRS 463 had several references to horse race and sports pools. It also further emphasized the separate nature of race and sports.

In 1997, the Nevada Legislature revised the definition of a sports pool to the following:

“Sports pool” means the business of accepting wagers on sporting events by any system or method of wagering.⁹

The reason for the change was to make the definition consistent with NRS 464.010. While NRS 464.010 required a license for pari-mutuel sporting event wagering, it did not specify or define the type of license required. In 1997, Nevada Gaming Control Board Chairman William Bible advocated for the change to make NRS 463.0193 consistent with NRS 464.¹⁰

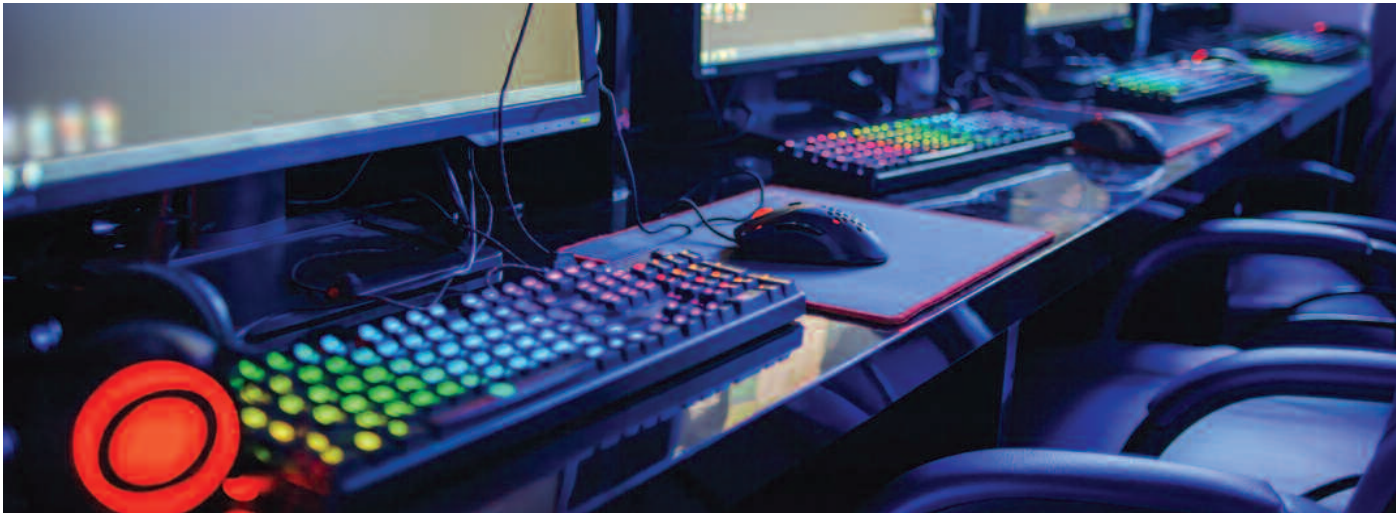


In 2009, the Nevada legislature once again clarified the definition of a sports pool to specifically include “other events” in a manner consistent with regulations existing since 1985. The definition adopted in 2009 is as follows:

“Sports pool” means the business of accepting wagers on sporting events and other events by any system or method of wagering.¹¹

Meanwhile, NRS 464 remained largely unchanged, carrying forward much of the 1955 Nevada Gaming Control Act language regarding pari-mutuel wagering in terms of racing and sporting events without reference to “other events.”¹²

Prior to the 2017 legislative session, therefore, the state of affairs was that NRS 463.0193 permitted a sports pool operator to accept wagers on any sporting event or other events by any system or method of wagering, but NRS 464 permitted pari-mutuel wagering on race and sports events only, without mention of other events.



SB240

The sole purpose of SB240 was to make NRS 464 consistent with NRS 463.0193. SB240 revised references in the statutes that previously permitted pari-mutuel wagering on “race and sporting events” to include “race, sporting and *other* events.”

Although the legislative change to the statute was relatively simple, SB240 had the effect of reacquainting the press with the fact that wagering on other events is a regulated activity in Nevada. In particular, many of those in the eSports industry picked up on this development and viewed it as an invitation from Nevada to bring more eSports events to Nevada.

Since the introduction of SB240, there has been interest from operators, systems providers, and tournament operators regarding the bill, which many press reports labeled as an “eSports bill.” Nothing in SB240, however, altered the process for obtaining regulatory approvals to wager on events, provided blanket authorization for other event wagering, or altered the current statutes regarding off-track race wagering and sporting event wagering. The core purpose of SB240 is nothing more than harmonizing NRS 464 with NRS 463.0193, although comments by legislators when the bill was heard made it clear that they were interested in bringing more eSports events to the state. So, while it is unclear as to whether SB240 will have any real economic impact, its passage not only brings other event wagering in parity with sporting event wagering with regard to pari-mutuel wagering, but testimony from members of the legislators also reinforces the interest that Nevada has in supporting the growth of the eSports market in our state.

The success of this bill would not have been possible without the help of Senator Becky Harris, Senior Deputy Attorney General John Michela, the Nevada Gaming Control Board, the Nevada Gaming Commission, the Nevada Resort Association, the Nevada Pari-Mutuel Association, Jennifer Gaynor, Professor Jennifer Roberts, and our students Garrett Chase, Matthew Cook, Hunter Davidson, Kathleen Gallagher, Kevin Johnson, Patrick Nelson Lambert, Michael Linton, Linda Ann Madril, Richard Madril, Zavier Mcfall-Maycock, Theodoros Perilis, Chandler Pohl, Michaela Soleova, Mark Starr, Brittne Watkins, and Adam Winer.

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- ¹ This article would not have been possible without the diligence of Bob Faiss in maintaining a library of regulations and statutes dating back to the 1940s. I also owe a great deal of thanks to Jennifer Gaynor and Kate Lowenhar-Fisher who were willing to review this article and make me look better than I am by providing comments and changes.
- ² See Regulations of the Nevada Gaming Commission and State Gaming Control Board, published January 1, 1973.
- ³ See Rules and Regulations of the Nevada Gaming Control Board and Tax Commission, February 22, 1956.
- ⁴ See Gaming Comm’n Reg. 22.010(9) (January 1, 1973).
- ⁵ See NRS 463.01275 (1975).
- ⁶ See Gaming Comm’n Reg. 22.010(9) (January 1, 1985).
- ⁷ See NRS 463.01855 (1985).
- ⁸ See Senate Committee on Judiciary, April 2, 1985, testimony of Michael Rumbolz representing the Nevada Gaming Control Board.
- ⁹ See NRS 463.0193 (1997).
- ¹⁰ See Senate Committee on Judiciary, meeting minutes, June 25, 1997.
- ¹¹ See NRS 463.0193 (2009).
- ¹² See Nev. Stats. Ch.231 §1 (1955)