TITLE 41 - GAMING; HORSE RACING; SPORTING EVENTS

CHAPTER 462 - LOTTERIES AND GAMES

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GENERAL PROVISIONS

NRS 462.015 Declaration of public policy. The Legislature hereby finds, and declares to be the public policy of this state, that:

- 1. The operation of legitimate charitable lotteries and charitable games in this State by qualified organizations is beneficial to the general welfare of the residents of this state.
 - 2. The benefits of charitable lotteries and charitable games:
- (a) Are dependent upon ensuring that those charitable lotteries and charitable games are operated honestly and free from criminal and corruptive elements, and that the proceeds of those charitable lotteries and charitable games are expended to benefit the activities of charitable or nonprofit organizations in this State.
- (b) Can be ensured through the regulation of the type of organizations authorized to operate those charitable lotteries and charitable games, the manner in which those charitable lotteries and charitable games are conducted and the manner in which the proceeds of those charitable lotteries and charitable games are expended.

(Added to NRS by 1991, 2257; A 2019, 957)

NRS 462.025 Licensing and additional restrictions imposed by local governments. Nothing in this chapter affects the power of a local government to require the licensing of or to impose additional restrictions on the operation of a charitable lottery or charitable game.

(Added to NRS by 1991, 2261; A 2019, 958)

NRS 462.035 **Definitions.** As used in this chapter, unless the context otherwise requires, the words and terms defined in $\frac{NRS}{462.045}$ to $\frac{462.125}{462.125}$, inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by 1991, 2257; A 2019, 958)

NRS 462.045 "Board" defined. "Board" means the Nevada Gaming Control Board. (Added to NRS by 1991, 2257)

NRS 462.059 "Chair" defined. "Chair" means the Chair of the Board. (Added to NRS by 2019, 957)

NRS 462.061 "Charitable game" defined. "Charitable game" means a bingo, poker or blackjack game that is operated by a qualified organization pursuant to the provisions of this chapter. The term does not include any other game or gambling game specified in NRS 463.0152, including without limitation, any game which requires the use of a gaming device, or any wagers on horse races, other animal races, sporting events or other events.

(Added to NRS by <u>2019</u>, <u>957</u>)

NRS 462.064 "Charitable lottery" defined. "Charitable lottery" means a lottery operated by a qualified organization pursuant to the provisions of this chapter.

(Added to NRS by 1991, 2258; A 2019, 958)

NRS 462.075 "Charitable or nonprofit activity" defined. "Charitable or nonprofit activity" means an activity in support of the arts, amateur athletics, peace officers or health or social services, or conducted for any benevolent, civic, educational, eleemosynary, fraternal, humanitarian, patriotic or religious purpose, including the operation of a qualified organization.

(Added to NRS by 1991, 2258; A 2019, 958)

NRS 462.085 "Commission" defined. "Commission" means the Nevada Gaming Commission.

(Added to NRS by <u>1991, 2258</u>)

NRS 462.105 "Lottery" defined.

- 1. Except as otherwise provided in subsection 2, "lottery" means any scheme for the disposal or distribution of property, by chance, among persons who have paid or promised to pay any valuable consideration for the chance of obtaining that property, or a portion of it, or for any share or interest in that property upon any agreement, understanding or expectation that it is to be distributed or disposed of by lot or chance, whether called a lottery, raffle or gift enterprise, or by whatever name it may be known.
- 2. "Lottery" does not include a promotional scheme conducted by a licensed gaming establishment in direct association with a licensed gaming activity, contest or tournament.
- 3. For the purpose of this section, a person has not "paid or promised to pay any valuable consideration" by virtue of having:
- (a) Engaged in or promised to engage in a transaction in which the person receives fair value for the payment;
 - (b) Accepted or promised to accept any products or services on a trial basis; or
 - (c) Been or promised to have been present at a particular time and place,
- → as the sole basis for having received a chance to obtain property pursuant to an occasional and ancillary promotion conducted by an organization whose primary purpose is not the operation of such a promotion.

[1911 C&P § 229; RL § 6494; NCL § 10176]—(NRS A 1991, 925, 2261)

NRS 462.115 "Net proceeds" defined. "Net proceeds" means the total amount of money collected from the operation of a charitable lottery or charitable game, less the total amount of money expended for prizes, supplies, advertising, promotion, printing, administration and other direct expenses necessary to operate a charitable lottery or charitable game, as applicable.

(Added to NRS by 1991, 2258; A 2019, 958)

NRS 462.125 "Qualified organization" defined. "Qualified organization" means an alumni, charitable, civic, educational, fraternal, patriotic, religious or veterans' organization or a state or local bar association that:

- 1. Has been certified by the Department of Taxation or the Internal Revenue Service as not operated for profit; or
- 2. Is registered with the Secretary of State as a charitable organization that solicits contributions pursuant to NRS 82A.100.

(Added to NRS by 1991, 2258; A 2015, 1483; 2019, 958; 2021, 1387)

CHARITABLE LOTTERIES AND CHARITABLE GAMES

NRS 462.130 Administration of chapter; regulations.

- 1. The Board and Commission shall administer the provisions of this chapter for the protection of the public and in the public interest in accordance with the policy of this state.
 - 2. The Commission, upon the recommendation of the Board:
- (a) May adopt such regulations as it deems desirable to enforce the provisions of this chapter; and
- (b) Shall adopt regulations providing a procedure to appeal the denial of the registration to operate a charitable lottery or charitable game by the Chair pursuant to NRS 462.150,
- \rightarrow pursuant to the procedure set forth in NRS 463.145.

(Added to NRS by 1991, 2258; A 2019, 958)

NRS 462.140 Conditions for operation of charitable lottery.

- 1. A qualified organization may operate a charitable lottery if:
- (a) The qualified organization is registered by the Chair to operate a charitable lottery pursuant to NRS 462.150; and
- (b) The total value of all the prizes offered in charitable lotteries operated by the qualified organization during the same calendar year, including, without limitation, the value of all unclaimed cash prizes:
 - (1) Except as otherwise provided in subparagraph (2), does not exceed \$500,000; or
- (2) If the qualified organization is a qualified professional sports organization, does not exceed \$2,000,000.
- 2. As used in this section, "qualified professional sports organization" means a qualified organization that is affiliated and co-branded with a professional sports team franchise which:
- (a) Is a member of Major League Baseball, Major League Soccer, the National Basketball Association, the National Hockey League or the National Football League; and
 - (b) Plays the majority of its home games in this State.
- The term does not include any minor league affiliate of any such team franchise, association or league.

(Added to NRS by 1991, 2258; A 1997, 294; 2015, 1483; 2019, 959)

NRS 462.150 Registration of qualified organization: Conditions; revocation.

- 1. The Chair shall:
- (a) Register a qualified organization to operate a charitable lottery or charitable game if:
 - (1) The organization complies with the requirements of NRS 462.160;
 - (2) The prizes offered are legal under state and federal law; and
- (3) The Chair determines, in his or her sole and absolute discretion, that the registration of the organization to operate a charitable lottery or charitable game and the prizes offered would not be contrary to the public interest.
- (b) Provide a qualified organization, within 30 days after its submission of an application pursuant to <u>NRS 462.160</u>, with written notification of the basis for any refusal by the Chair to register the qualified organization pursuant to this section.

2. The registration of a qualified organization to operate a charitable lottery or charitable game is a revocable privilege. No person has any right to be registered to operate a charitable lottery or charitable game by the Chair or acquires any vested right upon being registered by the Chair.

(Added to NRS by <u>1991, 2258</u>; A <u>2019, 959</u>)

- NRS 462.155 Operation of charitable game without license. A qualified organization may operate a charitable game without obtaining a license pursuant to NRS 463.160 if:
- 1. The qualified organization is registered by the Chair to operate a charitable game pursuant to NRS 462.150; and
- 2. The total value of all the prizes offered in charitable games operated by the qualified organization during the same calendar year does not exceed \$500,000.

(Added to NRS by <u>2019</u>, <u>957</u>)

NRS 462.160 Registration of qualified organization: Application; annual registration; fees; regulations; expenditure of application fees.

- 1. Except as otherwise provided in subsection 3, to register with the Chair to operate a charitable lottery or charitable game, a qualified organization must submit to the Chair:
 - (a) A written application containing:
 - (1) The name, address and nature of the organization.
 - (2) Proof that the organization is a qualified organization.
- (3) The names of the officers or principals of the organization, and of any person responsible for the management, administration or supervision of the organization's charitable lotteries or charitable games and any activities related to those charitable lotteries or charitable games.
- (4) A listing of vendors who will assist with each charitable lottery or charitable game operated by the organization and the services that will be provided.
- (5) A description of all the prizes to be offered in each charitable lottery or charitable game operated by the organization.
- (6) A summary of the anticipated expenses of conducting each charitable lottery or charitable game, including copies of any proposed agreements between the organization and any suppliers of material for the operation of each charitable lottery or charitable game.
- (7) A description of the intended use of the net proceeds of each charitable lottery or charitable game operated by the organization.
- (8) The address of the location where each charitable lottery or charitable game will be conducted by the organization.
- (9) The operational controls for each charitable lottery or charitable game, including, without limitation:
- (I) The methods proposed for ticket sales and, if proposing mobile, online or telephone sales, the procedures for such sales;
- (II) The audit controls for all ticket sales in this State to ensure compliance with NRS 462.180;
- (III) The rules which will be presented to the public for each charitable lottery or charitable game;
- (IV) The method of awarding all prizes and announcing all winners to the public; and
 - (V) The rules and time frames for the collection of all prizes.
- (10) A statement verifying that all charitable lotteries or charitable games will be conducted in accordance with the standards of honesty and integrity applicable to licensed

gambling games in this State and that any prizes that would be deemed illegal under state or federal law will not be offered.

- (11) Any other information the Chair deems appropriate.
- (b) All applicable fees established by the Commission by regulation pursuant to subsection 4.
- 2. A qualified organization shall submit such additional information as necessary to correct or complete any information submitted pursuant to this section that becomes inaccurate or incomplete. The registration of a qualified organization is suspended during the period that any of the information is inaccurate or incomplete. The Chair may reinstate the registration of the organization only after all information has been corrected and completed.
- 3. If the total value of the prizes offered by a qualified organization in the same calendar year is less than \$100,000:
 - (a) The qualified organization must register annually with the Board; and
- (b) The regulations adopted by the Commission pursuant to subsection 4 must not impose an annual fee that exceeds \$10 on such a qualified organization.
- 4. The Commission, upon recommendation by the Board, shall adopt regulations establishing the fees that a qualified organization must submit to the Chair pursuant to this section.
- 5. The money collected pursuant to this section must be expended to administer and enforce the provisions of this chapter.

(Added to NRS by 1991, 2259; A 2019, 960; 2021, 1387)

NRS 462.170 Registration of qualified organization: Commission may require finding of suitability; costs of investigation; effect of failure to submit application for finding; effect of finding of unsuitability.

- 1. The Commission may, upon recommendation of the Board, require:
- (a) A qualified organization that registers with the Chair to file an application pursuant to <u>chapter 463</u> of NRS for a finding of suitability to operate a charitable lottery or charitable game in this state.
- (b) Any person who is employed by, a member of or otherwise associated with such an organization to file an application pursuant to <u>chapter 463</u> of NRS for a finding of suitability to be associated with the operation of a charitable lottery or charitable game in this state.
- 2. The Board may conduct an investigation of the qualified organization or associated person and submit recommendations to the Commission. The qualified organization or associated person must deposit with the Board a sum of money which the Board determines will be adequate to pay the anticipated costs of the investigation and shall upon the completion of the investigation pay to the Board any additional money necessary to reimburse the Board for the actual cost of the investigation. The Board shall refund any overpayments.
- 3. The Commission may revoke the registration of a qualified organization to operate a charitable lottery or charitable game if:
- (a) An application for a finding of suitability is not submitted to the Board, together with the deposit required by subsection 2, within 30 days after the qualified organization receives written notice that it is required pursuant to paragraph (a) of subsection 1 to file an application for a finding of suitability.
- (b) The qualified organization is found unsuitable to operate a charitable lottery or charitable game in this state.
- (c) An application for a finding of suitability is not submitted to the Board, together with the deposit required by subsection 2, or the association of the person with the organization is not terminated, within 30 days after the qualified organization receives written notice that an

associated person is required pursuant to paragraph (b) of subsection 1 to file an application for a finding of suitability.

- (d) The associated person is found unsuitable to be associated with the operation of a charitable lottery or charitable game in this state and the qualified organization does not terminate its association with that person within 30 days after receiving written notice of the finding of unsuitability.
- 4. If the Commission finds that an associated person is unsuitable to be associated with the operation of a charitable lottery or charitable game in this State, any contract or agreement between the associated person and a qualified organization for the provision of personal services to the qualified organization or for conducting any activity relating to the operation of the charitable lottery or charitable game shall be deemed to be terminated without liability on the part of the qualified organization. Failure to expressly include such a condition in a contract or agreement is not a defense in any action brought pursuant to this section to terminate the contract or agreement.

(Added to NRS by <u>1991, 2260</u>; A <u>2019, 961</u>)

NRS 462.180 Operation of charitable lottery or charitable game prohibited under certain circumstances; statewide ticket sales; online ticket sales.

- 1. The Chair shall not register a qualified organization to operate a charitable lottery or charitable game outside this State or through the use of a video lottery terminal or any other mechanical, electromechanical or electronic device or machine that performs all the functions of a lottery by itself or when networked with other similar devices or machines.
- 2. Statewide ticket sales and online ticket sales are permitted upon approval by the Chair, but all lottery ticket sales must be limited to persons who are physically located within this State at the time of purchase.
- 3. A qualified professional sports organization may conduct approved online ticket sales in conjunction with a charitable lottery offering a cash prize only:
- (a) On a day that the professional sports team franchise with which the qualified professional sports organization is affiliated is playing a home game in this State; and
- (b) If such online ticket sales are restricted to the use of mobile devices in the arena or stadium of the professional sports team franchise or on any parcel of land upon which the arena or stadium is situated.
- 4. As used in this section, "qualified professional sports organization" has the meaning ascribed to it in NRS 462.140.

(Added to NRS by 1991, 2260; A 2015, 1483; 2019, 962; 2021, 1388)

NRS 462.190 Limitations on compensation for prizes and supplies and compensation of persons for services; exceptions. A qualified organization shall not:

- 1. Compensate any person for the provision of prizes and supplies used in the operation of a charitable lottery or charitable game, except to pay the fair market value of the prizes and supplies necessary for the operation of the charitable lottery or charitable game.
- 2. Provide any additional compensation to a person who is a regular employee of the organization for his or her services in organizing or operating a charitable lottery or charitable game or assisting in the organization or operation of a charitable lottery or charitable game. This subsection does not prohibit a qualified organization from compensating a person for the fair market value of services that are ancillary to the organization.

(Added to NRS by <u>1991, 2260</u>; A <u>2019, 962</u>)

NRS 462.200 Prohibition against contracting for operation of charitable lottery or charitable game under certain circumstances; limitation on expenditure of net proceeds of charitable lottery or charitable game; annual financial report required upon request.

- 1. A qualified organization:
- (a) Shall not contract with any vendor for the operation of a charitable lottery or charitable game who charges more than 8 percent of the gross proceeds of the charitable lottery or charitable game in exchange for the provision of services.
- (b) Shall expend the net proceeds of a charitable lottery or charitable game only for the benefit of charitable or nonprofit activities in this state.
- 2. A qualified organization registered by the Chair shall, upon request, submit to the Chair a financial report on a charitable lottery or charitable game. The financial report must include a statement of:
 - (a) The expenses incurred in the operation of the charitable lottery or charitable game; and
 - (b) The amount and use of the net proceeds of the charitable lottery or charitable game. (Added to NRS by 1991, 2261; A 2019, 963)
- NRS 462.210 Immunity from civil liability. In addition to any other rights, privileges and immunities recognized by law, the State of Nevada, the Board and any of its members, employees, attorneys and other personnel, and the Commission and any of its members, employees, attorneys and other personnel are immune from any civil liability for any decision or action taken in good faith and without malicious intent in carrying out the provisions of this chapter.

(Added to NRS by <u>2019</u>, <u>957</u>)

UNLAWFUL ACTS; PENALTIES

NRS 462.250 Penalty for unauthorized lottery. A person who contrives, prepares, sets up, proposes or operates any lottery, except as authorized pursuant to this chapter, is guilty of a gross misdemeanor.

[1911 C&P § 230: RL § 6495; NCL § 10177]—(NRS A 1991, 2261; 2019, 963)

NRS 462.260 Penalty for unauthorized sale or transfer of lottery ticket. A person who sells, gives or in any manner whatever furnishes or transfers to or for any other person any ticket, chance, share or interest, or any paper, certificate or instrument purporting or understood to be or to represent any ticket, chance, share or interest in or depending upon the event of any lottery, except as authorized pursuant to this chapter, is guilty of a gross misdemeanor.

[1911 C&P § 231; RL § 6496; NCL § 10178]—(NRS A 1991, 2262; 2019, 963)

NRS 462.270 Applicability of NRS 462.280 and 462.290 regarding regular reporting of information. The provisions of NRS 462.280 and 462.290 do not apply to the regular reporting of information to the public by a newspaper, periodical or press association, or a radio or television station.

(Added to NRS by 1991, 2261)

NRS 462.280 Penalty for assisting in unauthorized lottery. A person who intentionally aids or assists, either by printing, writing, advertising, publishing or otherwise, in setting up, managing or operating any lottery in violation of this chapter, or in selling or disposing of any ticket, chance or share therein, is guilty of a gross misdemeanor.

[1911 C&P § 232; RL § 6497; NCL § 10179]—(NRS A 1991, 2262; 2019, 963)

NRS 462.290 Penalty for opening or maintaining office for sale of tickets for unauthorized lottery; penalty for intentional advertisement of such office. Every person who opens, sets up or keeps by himself or herself or by any other person any office or other place for the sale of or for registering the number of any ticket in any lottery in violation of

this chapter, or who by printing, writing or other means intentionally advertises or publishes the setting up, opening or using of any such office, is guilty of a gross misdemeanor.

[1911 C&P § 233; RL § 6498; NCL § 10180]—(NRS A 1991, 2262; 2019, 963)

NRS 462.300 Penalty for insuring or guaranteeing lottery tickets. Every person who insures or receives any consideration for insuring for or against the drawing of any ticket in any lottery whatever, whether drawn or to be drawn within this state or not, or who receives any valuable consideration upon any agreement to repay any sum or deliver the same, or any other property, if any lottery ticket or number of any ticket in any lottery shall prove fortunate or unfortunate, or shall be drawn or not be drawn at any particular time or in any particular order, or who promises or agrees to pay any sum of money, or to deliver any goods, things in action or property, or to forbear to do anything for the benefit of any person, with or without consideration, upon any event or contingency dependent upon the drawing of any ticket in any lottery, or who publishes any notice or proposal of any of the purposes aforesaid, is guilty of a gross misdemeanor.

[1911 C&P § 234; RL § 6499; NCL § 10181]–(NRS A 2019, 963)

NRS 462.310 Proof of existence of lottery and issuance of ticket. Upon a trial for violation of any of the provisions of this chapter, it is not necessary to prove the existence of any lottery in which any lottery ticket purports to have been issued, nor to prove the actual signing of any such ticket or share, or pretended ticket or share of any pretended lottery, nor that any lottery ticket, share or interest was signed or issued by the authority of any manager, or of any person assuming to have authority as manager; but in all cases proof of the sale, furnishing, bartering or procuring of any ticket, share or interest therein, or of any instrument purporting to be a ticket, or part or share of any such ticket, constitutes evidence that such share or interest was signed and issued according to the purport thereof.

(Added to NRS by 1967, 1472; A 1991, 2262)

NRS 462.320 Penalty for leasing or allowing use of building or vessel for lottery in violation of chapter. A person who lets or permits to be used any building or vessel, or any portion thereof, knowing that it is to be used for setting up, managing or drawing any lottery in violation of this chapter, or for the purpose of selling or disposing of lottery tickets in violation of this chapter, is guilty of a gross misdemeanor.

[1911 C&P § 236; RL § 6501; NCL § 10183]—(NRS A 1991, 2262; 2019, 964)

NRS 462.330 Forfeitures of money and certain property.

- 1. All money and property offered for sale or distribution in violation of any of the provisions of this chapter are forfeited to the State, and may be recovered by information filed or by an action brought by the Attorney General or by any district attorney, in the name of the State.
- 2. Upon the filing of the information or complaint, the clerk of the court, or if the suit is in a Justice Court, the justice, must issue an attachment against the property mentioned in the complaint or information, which attachment has the same force and effect against such property and is issued in the same manner as attachments from the district courts in civil cases.

[1911 C&P § 235; RL § 6500; NCL § 10182]—(NRS A 1991, 2262)