

Nevada's Governor Softens Esports Bill Creating Advisory Committee



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On June 9, 2021, Nevada Senate Bill 165 (SB 165) was passed and signed into law by Governor Steve Sisolak, establishing the Esports Technical Advisory Committee (Committee). When introduced, SB 165 proposed the creation of the Nevada Esports Commission (Commission) to regulate esports in the state as part of the Department of Business and Industry. The Commission was to be staffed by members with expertise in esports, videogame hardware and software, and experience or training in law enforcement related to hacking and fraud in esports. It was also proposed that any esports organizer hosting an event with a purse in excess of \$1,000 would be required to register with the Commission. The goal of the Commission was to emulate the success of the Nevada Athletic Commission—which regulates unarmed combat sports like MMA—by providing standards for esports events hosted in Nevada, which would have made it the first of its kind in the United States.

After extensive amendments, however, SB 165 now creates the Esports Technical Advisory Committee, a group within the Nevada Gaming Control Board (Board), removing much of the regulatory bite of the proposed Commission. The Committee, which will consist of members of the esports industry, including game publishers, event organizers, teams, professionals, and broadcasters appointed by the Board, shall “provide recommendations to the Board on any guidelines and parameters that are necessary to safeguard the integrity of esports when wagers are placed at such competitions.” The Board may then adopt necessary regulations to carry out the recommendations of the Committee. SB 165 broadly defines esports as “a competition between individuals or teams using videogames which is hosted at a physical location or online,” bringing all types of videogame competitions under the purview of the Committee.

Although Bill 165 still opens the door for significant regulation of esports events, the new rules will regulate esports gambling in Nevada, while not directly regulating esports events hosted in Nevada. The Nevada Gaming Control Board already regulates betting on esports events with each individual event or league requiring approval before sportsbooks can take bets. Currently, regulations include requiring independent verification on the fairness of the match to be approved. Given the dramatic rise in esports gambling in recent years (especially during the Covid-19 pandemic when in-person sports were suspended), the introduction of the Committee could bring new and more stringent regulations for organizers who want their events to be on Nevada's sportsbooks. It may also provide clearer guidelines on what is required in an event or league to be approved for gambling. Whether the creation of the Committee helps streamline esports gambling or creates more hurdles remains to be seen, as will the growth of esports events in Nevada.

View the originally proposed Senate Bill No.165 [here](#).

View Senate Bill No.165 as enacted [here](#).

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About Winston's Videogame, Gaming & Esports Group

Recognizing that emerging industries require bespoke lawyering, David Enzminger formed and lead Winston's Videogame, Gaming & Esports Group to provide comprehensive legal solutions to companies in these industries. This multidisciplinary group includes more than 60 lawyers across 10 practices working seamlessly to assist companies in these industries in all areas, including managing IP portfolios, assisting esports companies establish global sports leagues, selling franchises, and developing proactive legal solutions for issues that arise from league operations. We represent videogame publishers in antitrust matters and represent both rights owners and gaming companies in licensing issues for game content. In addition, our team helps electronic game clients prepare for all types of regulatory and public scrutiny issues, such as corporate governance, data privacy, and harassment/discrimination claims that are sure to come as the industry continues to grow in both size and influence. Our offices in New York, Silicon Valley, Los Angeles, Shanghai, and Hong Kong provide gaming clients with a global platform for their complex and evolving legal needs.

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