

STATE OF NEVADA

GAMING CONTROL BOARD

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DENNIS K. NEILANDER, Chairman RANDALL E. SAYRE, Member MARK A. LIPPARELLI, Member

December 14, 2010

TO: ALL INTERESTED PERSONS

SUBJECT: REQUEST FOR INPUT ON INCREASING REGULATORY FEES IMPOSED ON GAMING INDUSTRY TO FULLY FUND BOARD AND COMMISSION OPERATIONS

At the request of the Nevada Legislature's Interim Finance Committee ("Committee"), the State Gaming Control Board ("Board") has conducted a comprehensive review of the regulatory fees currently imposed upon the gaming industry in an effort to formulate what it believes may be the most equitable way to fully fund the operations of both the Board and the Nevada Gaming Commission ("Commission") beginning in Fiscal Year 2012 (July 1, 2011 – June 30, 2012).

Pursuant to the attached letter dated June 30, 2010 and accompanying attachments ("Committee Letter"), you will find that, after taking into account the regulatory fee structures in the other States with licensed commercial casino gaming operations, the Board has provided the Committee with various potential regulatory fee enhancement proposals which, if implemented, would increase regulatory fee collections from the gaming industry by approximately \$28.7 million in Fiscal Year 2012 and beyond. As indicated in the Committee Letter, this \$28.7 million is the amount that the Board projects would be needed in order to fully fund Board and Commission operations in future fiscal years without any General Fund appropriations.

Accordingly, since the estimated \$28.7 million in additional fees collections would be borne by the gaming industry, the Board is seeking your input on the fee enhancement proposals outlined in the Committee Letter as well as any other alternative proposals which you believe would result in the most equitable sharing of regulatory fee increases by the industry. If you would like to provide any comments or suggestions, please submit them to the attention of Marc Warren, Senior Research Specialist, at the Carson City address above or by e-mail to mgwarren@gcb.nv.gov by no later than Monday, January 3, 2011. Any and all input that you provide will remain anonymous.

Finally, should you elect to provide any comments or suggestions, please bear in mind that whenever the Board is called upon by the Committee and/or the Senate Finance and Assembly Ways and Means Committees to discuss the fee enhancement proposals set forth in the Committee Letter, it will only be responsive to the Committee's request. The Board was not asked to comment on whether it supported the proposal or not. The Board has been asked to provide comments on the most equitable funding proposal if such a proposal were implemented.