



NEVADA GAMING COMMISSION

1919 College Parkway, P.O. Box 8003

Carson City, Nevada 89702

(775) 684-7750

STEVE SISOLAK
Governor

MARIE BELL
Executive Secretary

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NOTICE OF INTENT TO ACT UPON A REGULATION

Notice #2022-32

Issuer: Executive Secretary

DATE: April 18, 2022

TO: ALL LICENSEES AND OTHER INTERESTED PERSONS

SUBJECT: 2022-02R: NOTICE OF HEARING FOR THE ADOPTION, AMENDMENT AND REPEAL OF PERMANENT REGULATIONS OF THE NEVADA GAMING COMMISSION RELATING TO THE ADMINISTRATION OF THE LIVE ENTERTAINMENT TAX (LCB File No. R029-21)

The Nevada Gaming Commission (NGC) will hold a public hearing for the purpose of considering adoption, amendment or repeal of the regulation(s) stated below.

The public hearing will be held on or about the hour of 10:00 a.m. on **May 19, 2022** at the following locations:

**Grant Sawyer Building
Hearing Room 2450
555 East Washington Avenue
Las Vegas, Nevada**

**and via video conference* at the
Gaming Control Board Office
1919 College Parkway
Carson City, Nevada**

** As a courtesy these proceedings will be video cast to the Nevada Gaming Control Board offices in Las Vegas, Grant Sawyer Building, Hearing Room 2450, 555 East Washington Avenue if the meeting takes place in Carson City and to the Nevada Gaming Control Board offices in Carson City, 1919 College Parkway if the meeting takes place in Las Vegas. In the event technical difficulties prevent these proceedings from being video cast, the Nevada Gaming Control Board or Nevada Gaming Commission, at its discretion, may conduct the meeting without the proceedings being video cast.*

2022-02R: POSSIBLE ADOPTION, AMENDMENT AND REPEAL OF PERMANENT REGULATIONS OF THE NEVADA GAMING COMMISSION RELATING TO THE ADMINISTRATION OF THE LIVE ENTERTAINMENT TAX

For Possible Action

PURPOSE: To receive comments from all interested persons regarding the adoption, amendment, and repeal of regulations that pertain to Chapter 368A of the Nevada Administrative Code (NAC) (Nevada's Live Entertainment Tax). The NGC will receive testimony from all interested persons and consider and take action on the amendment and repeal of proposed permanent regulations of the NAC as identified in **LCB File No. R029-21**. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the NGC may proceed immediately to act upon written submissions.

A. The Need for, and Purpose of, the Proposed Permanent Regulations

The need and purpose of the proposed permanent regulations identified in LCB File No. R029-21 are to revise and remove existing provisions relating to the application and administration of Nevada's Live Entertainment Tax (LET) on live entertainment provided within facilities located on the premises of licensed gaming establishments. These changes to NAC Chapter 368A were prompted by a review of the existing regulations and changes made to Chapter 368A of the Nevada Revised Statutes (NRS) pursuant to Senate Bill No. 7, which was enacted during the 81st (2021) session of the Nevada Legislature.

B. Terms or Substance of the Proposed Permanent Regulations or Description of the Subjects and Issues Involved

1. **Section 1** of the proposed regulation reduces the number of internal audit reports required to be submitted to the Board pursuant to NAC 368A.510 from two to one.
2. **Section 2** of the proposed regulation repeals NAC 368A.460 necessitated by the enactment of Senate Bill No. 7 during the 81st session (2021) of the Nevada Legislature.

C. How to Obtain the Approved or Revised Text of the Proposed Regulation Prepared by the Legislative Counsel Bureau

The text of the proposed regulation may be obtained online by visiting the State of Nevada Register or Administrative Regulations at:

<https://www.leg.state.nv.us/Register/2021Register/R029-21RP1.pdf>

D. Estimated Economic Effect of the Proposed Permanent Regulation on the Businesses which it will Regulate and the Public

1. Adverse and Beneficial Effects:

The proposed permanent regulation presents no reasonably foreseeable or anticipated adverse economic effects to the businesses or to the general public beyond the effects, if any, presented by Chapter 368A of the NRS. The proposed permanent regulation removes or reduces certain requirements under the LET. Such removal or reduction will reduce burdens on taxpayers and should have a positive impact. The regulation does not impose a direct and significant economic burden upon small businesses or restrict the formation, operation, or expansion of small businesses beyond the burdens, if any, presented by Chapter 368A of the NRS.

2. Immediate and Long-Term Effects:

There are not anticipated immediate or long-term economic effects on facilities located on the premises of a gaming licensee that provide live entertainment beyond the effects, if any, presented by Chapter 368A of the NRS.

E. The Methods Used by the Agency in Determining the Impact on a Small Business

Staff of the Board evaluated the changes made to Chapter 368A of the NRS pursuant to Senate Bill No. 7 (enacted during the 81st (2021) session of the Nevada Legislature) and reached the conclusion that the changes made to the statute, which prompted the need to repeal NAC 368A.460, did not add any negative burden on small businesses that hold gaming licenses (the small businesses under the NGC's jurisdiction). Further, the Board determined that the proposed reduction of the number of internal audit reports required to be submitted to the Board under NAC 368A.510 also did not add any negative burden on the small businesses under the NGC's jurisdiction. To the contrary, Board staff determined that the proposed repeal and amendments will lessen the burden on small businesses to which LET applies.

The statutory changes did not increase the number of small businesses affected by LET, nor the amount of LET that customer of those businesses must pay. In fact, they removed the requirement that a taxpayer include certain information on admission tickets or via posting at the location where the admission is sold. In addition, the amendment to NAC 368A.510 reduces the number of internal audit reports that must be submitted to the Board, which lightens the administrative burdens placed on small businesses affected by LET. Based on this, Board staff determined that the statutory changes and the proposed amendments to the regulations will have a positive financial impact on small businesses that held gaming licenses.

In addition, Board staff determined that the proposed permanent regulations, LCB File No. R029-21, will not impose any additional reporting or administration requirements on small businesses that are licensed gaming establishments. Instead, the proposed permanent regulations reduce such requirements. Taxpayers will no longer have to print certain information on admission tickets or post certain information at locations where the admissions are sold. Further, taxpayers will only be required to submit one internal audit report, rather than the two currently required.

Based on the analysis described above, Board staff reached the conclusion that the proposed permanent regulations, LCB File No. R029-21, will not impose a direct and significant economic burden upon any small businesses under the NGC's jurisdiction, nor directly restrict the formation, operation, or expansion of said businesses.

F. Estimated Cost to Agency for Enforcement of the Proposed Permanent Regulation

The enforcement of the proposed permanent regulations will not increase the costs already expended by the agency relating to the administration of the LET.

G. Regulations of Other State or Local Governmental Agencies which the Proposed Permanent Regulation Overlaps or Duplicates and their Necessity

The NGC is the sole agency charged with the administration of the LET for live entertainment events that occur on the premises of a licensed gaming establishment. While the Nevada Tax Commission also has a set of regulations governing its administration of the LET, those regulations only pertain to live entertainment events occurring on the premises of establishments that are not licensed to offer gaming in this State. Because the two agencies administer the LET for different taxpayers, the proposed permanent regulations do not overlap or duplicate any regulations administered by the Nevada Tax Commission.

H. If the Regulation is Required Pursuant to Federal Law, a Citation and Description of the Federal Law

The proposed permanent regulation is not required pursuant to federal law.

I. If the Regulation Includes Provisions which are More Stringent than a Federal Regulation that Regulates the Same Activity, a Summary of Such Provisions

The proposed permanent regulation does not include provisions which are more stringent than a federal law.

J. Establishment of New Fees or Existing Fee Increases

The proposed permanent regulations do not establish new fees or increase existing fees.

The proposed regulation changes will be considered by the NGC in accordance with the provisions of NRS 463.145, which provides that on the date and at the time and place designated, any interested person, or their duly authorized representative, or both, shall be afforded the opportunity to present statements, arguments or contentions in writing, with or without the opportunity to present the same orally. Persons wishing to comment on the proposed action of the NGC may appear at the above-scheduled public hearing or may address their comments, data, views or arguments, in written form, to the NGC at regcomments@gcb.nv.gov. **Written submissions must be received by the NGC on or before May 16, 2022.**

A copy of this notice and the regulation to be adopted will be on file at the Nevada State Library and Archives, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be adopted will be available at the following locations for inspection and copying by members of the public during regular business hours:

1. Offices of the Nevada Gaming Control Board:
 - a. 1919 College Parkway, Carson City, Nevada;
 - b. 557 West Silver Street, Suite 207, Elko, Nevada;
 - c. 3650 South Pointe Circle, Suite 203, Laughlin, Nevada;
 - d. 555 East Washington Avenue, Suite 2600, Las Vegas, Nevada; and
 - e. 9790 Gateway Drive, Suite 100, Reno, Nevada.
2. Churchill County Library, 553 South Maine Street, Fallon, Nevada
3. Douglas County Public Library, 1625 Library Lane Minden, Nevada
4. Esmeralda County Library, 10 Montezuma Way, Silverpeak, Nevada
5. Eureka Branch Library, 210 South Monroe, Eureka, Nevada
6. Humboldt County Library, 85 East 5th Street, Winnemucca, Nevada
7. Lincoln County Library, 63 Main Street, Pioche, Nevada
8. Lyon County Central Library, 20 Nevin Way, Yerington, Nevada
9. Mineral County Library, 110 1st Street, Hawthorne, Nevada
10. Pershing County Library, 1125 Central Avenue, Lovelock, Nevada
11. Storey County Library, 95 South R Street, Virginia City, Nevada
12. Tonopah Library, 167 South Central Street, Tonopah, Nevada
13. White Pine County Library, 950 Campton Street, Ely, Nevada

Copies of the notice and the regulation to be adopted are also available on the Nevada Gaming Control Board's website, "Regulation Activity" page at: <https://gaming.nv.gov/index.aspx?page=52> . Any questions should be directed to Jerrod Langendorf at (702) 486-2000 or via email at jlangendorf@gcb.nv.gov .

This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <https://www.leg.state.nv.us>.

Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Pursuant to NRS 233B.064(2), upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issues a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

These items will be heard by the NGC at the May 19, 2022 meeting, and may be continued and heard at subsequent meetings of the Nevada Gaming NGC as required to effectuate the above-stated purposes.

We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the

Executive Secretary's office in writing at the Nevada Gaming Commission, P.O. Box 8003, Carson City, Nevada 89702-8003 or by calling (775) 684-7750 as soon as possible.

This notice of hearing has been posted at the following locations:

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| 1. Nevada Gaming Control Board | 1919 College Parkway | Carson City, NV 89706 |
| 2. Nevada Gaming Control Board | 557 West Silver Street, Suite 207 | Elko, NV 89801 |
| 3. Nevada Gaming Control Board | 3650 South Pointe Circle | Laughlin, NV 89029 |
| 4. Nevada Gaming Control Board | 555 E Washington Ave, Suite 2600 | Las Vegas, NV 89101 |
| 5. Nevada Gaming Control Board | 9790 Gateway Drive, Suite 100 | Reno, NV 89521 |
| 6. State Library and Archives | 100 North Stewart Street | Carson City, NV 89701 |
| 7. Churchill County Library | 553 South Maine Street | Fallon, NV 89406 |
| 8. Douglas County Public Library | 1625 Library Lane | Minden, NV 89423 |
| 9. Esmeralda County Library | 10 Montezuma Way | Silverpeak, NV 89047 |
| 10. Eureka Branch Library | 210 South Monroe | Eureka, NV 89316 |
| 11. Humboldt County Library | 85 East 5th Street | Winnemucca, NV 89445 |
| 12. Lincoln County Library | 63 Main Street | Pioche, NV 89043 |
| 13. Lyon County Central Library | 20 Nevin Way | Yerington, NV 89447 |
| 14. Mineral County Library | 110 1st Street | Hawthorne, NV 89415 |
| 15. Pershing County Library | 1125 Central Avenue | Lovelock, NV 89419 |
| 16. Storey County Library | 95 South R Street | Virginia City, NV 89440 |
| 17. Tonopah Library | 167 South Central Street | Tonopah, NV 89049 |
| 18. White Pine County Library | 950 Campton Street | Ely, NV 89301 |