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March 28, 2025

INFORMATIONAL STATEMENT REGARDING LCB FILE NO. R063-24 (NRS 233B.066)

Pursuant to NRS 233B.066, the Nevada Gaming Commission (“Commission”) hereby submits the following Information Statement regarding its proposed regulation identified as LCB File No. R063-24:

a. A clear and concise explanation of the need for the adopted regulation.

The need and purpose of the proposed permanent regulations outlined in LCB File No. R063-24 is to remove certain requirements imposed on live entertainment taxpayers who operate licensed gaming establishments—requirements not imposed on live entertainment taxpayers who are not licensed gaming establishments. These proposed permanent regulations would help align the requirements imposed on the two categories of taxpayers covered in Chapter 368A of *Nevada Revised Statutes* (NRS). The Commission’s proposed permanent regulations do the following to accomplish the above-stated purpose: (1) remove the provision requiring a group I gaming licensee that provides live entertainment to include in its system of internal control a description of the procedures adopted by the licensee to comply with NAC 368A.300 to 368A.540; (2) remove the provision requiring a group I gaming licensee that provides live entertainment to direct its independent accountant to perform certain actions and report the finding resulting therefrom to the Nevada Gaming Control Board; (3) remove the provision requiring the internal auditor of a group I gaming licensee to perform certain acts and report the findings therefrom to the Nevada Gaming Control Board (“Board”); and (4) provide other matters properly relating thereto.

b. A description of how public comment was solicited, a summary of the public response, and an explanation of how other interested persons may obtain a copy of the summary.

On January 16, 2024, the Board posted a 15-day Notice of Workshop to Solicit Public Comment Regarding the Possible Adoption, Amendment, or Repeal of Regulations Pertaining to Chapter 368A of the Nevada Administrative Code (“NAC”). Along with this notice, the Board posted a copy of LCB File No. R063-24. The notice was emailed to all entities and individuals who had requested such service. This included all entities and individuals who held gaming licenses on that date.

Prior to the workshop scheduled for February 7, 2024, members of the public were permitted to submit written comments to the Board regarding LCB File No. R063-24. Further, during the workshop

on LCB File No. R063-24, held on February 7, 2024, attendees were given the opportunity to orally comment on the proposed amendments. The Board received no written comments, and no oral comments were given made the workshop.

On February 16, 2024, the Commission posted a 30-day Notice of Hearing before the Commission to refer the draft of LCB File No. R063-24 recommended by the Board to the Legislative Counsel Bureau (“LCB”) for review. Along with this notice, the Commission posted a copy of LCB File No. R063-24. The notice was emailed to all entities and individuals who had requested such service. This included all entities and individuals who held gaming licenses on that date.

Prior to the March 21, 2024, hearing before the Commission, members of the public were permitted to submit written comments to the Commission regarding LCB File No. R063-24. Further, during the hearing on LCB File No. R063-24, held on March 21, 2024, attendees were given the opportunity to orally comment on the proposed amendments. The Commission received no written comments, and no oral comments were made during the workshop.

On October 23, 2024, the Commission posted a 30-day 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. R063-24). Along with this notice, the Board posted a copy of LCB File No. R063-24. The notice was emailed to all entities and individuals who had requested such service. This included all entities and individuals who held gaming licenses on that date.

Prior to the public hearing scheduled for December 19, 2024, members of the public were permitted to submit written comments to the Commission regarding LCB File No. R063-24. Further, during the public hearing of LCB File No. R063-24, held on December 19, 2024, attendees were given the opportunity to orally comment on the proposed amendments. The Commission received no written comments, and no oral comments were given during the public hearing.

c. The Board and Commission recorded the following data regarding public participation in the public workshop and public hearing on the proposed permanent regulation:

1. Persons who attended the public workshop held on February 7, 2024: 4
2. Persons who testified at the public workshop held on February 7, 2024: 0
3. Persons who attended the public hearing held on March 21, 2024: 0
4. Persons who testified at the public hearing held on March 21, 2024: 0
5. Persons who attended the public hearing and adoption hearing held on December 19, 2024: 1
6. Persons who testified at the public hearing and adoption hearing held on December 19, 2024: 0

7. Persons who submitted written statements to the Board or Commission regarding the proposed permanent regulation: 0

d. For each person identified in subsections (2), (4), and (5) of section c above, the following information was obtained by the Commission:

No persons testified at the above referenced workshop or hearings and no written statements were submitted to the Board or Commission regarding the proposed permanent regulation.

e. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation of how other interested parties may obtain a copy of the summary.

Affected businesses and interested parties were provided with the same notices and information described section (b) above. Each of those notices provided instructions on how to submit written comments to the proposed amendments. Further, at the workshop and each of the hearings on the proposed amendments, members of the public, including those representing affected businesses, were afforded the opportunity to make oral comments. The Board and Commission received no written comments, and no oral comments were provided.

Given that there were no written or oral comments made in relation to the proposed amendments set forth in LCB File No. R063-34, there is no summary to provide to other interested parties.

f. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

No persons testified at the workshop or hearings and no written statements were submitted to the Board or Commission regarding the proposed permanent regulation. Thus, there were no reasons to change to the proposed regulation.

g. The estimated economic effect of the regulation on the businesses that it is to regulate and on the public as required by NRS 233B.066(1)(g).

Business:

There are no anticipated adverse effects of the regulation on the businesses that it is to regulate.

The anticipated beneficial effect of the regulation on the businesses that it is to regulate is a reduction of the costs associated with having to engage internal and external auditors to perform certain procedures and to prepare and file certain reports with the Board. The proposed regulation will reduce the costs associated with complying with the statutes and regulations relating to the Live Entertainment Tax.

Public:

There is no anticipated adverse effect for the public.

There is no anticipated beneficial effect for the public.

- h. The estimated cost to the agency for enforcement of the proposed regulation as required by NRS 233B.066(1)(h).**

There are no expected costs to the Board or the Commission relating to the enforcement of the proposed regulation.

- i. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, name the regulating federal agency. This is required by NRS 233B.066(1)(i).**

None known.

- j. If the regulation included provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions as required by NRS 233b.066(1)(j).**

None known.

- k. If the regulation provides a new fee or increases an existing fee, a statement indicating the total annual amount the agency expects to collect and the manner in which the money will be used as required by NRS 233b.066(1)(k).**

Not applicable. The regulation does not provide a new fee or increase an existing fee.