



STEVE SISOLAK
Governor

NEVADA GAMING CONTROL BOARD

1919 College Parkway, P.O. Box 8003, Carson City, Nevada 89702
555 E. Washington Avenue, Suite 2600, Las Vegas, Nevada 89101
3650 S. Pointe Circle, Suite 203, P.O. Box 31109, Laughlin, Nevada 89028
557 W. Silver Street, Suite 207, Elko, Nevada 89801
9790 Gateway Drive, Suite 100, Reno, Nevada 89521
750 Pilot Road, Suite I, Las Vegas, Nevada 89119

J. BRIN GIBSON, *Chair*
PHIL KATSAROS, *Member*
BRITTNIE WATKINS, *Member*

NOTICE

Notice # 2022-13

Issuing Division: Executive Secretary

DATE: MARCH 1, 2022

TO: PUBLIC, ALL LICENSEES AND INTERESTED PERSONS

SUBJECT: NOTICE OF WORKSHOP AND AGENDA REGARDING THE POSSIBLE ADOPTION, AMENDMENT, OR REPEAL OF REGULATIONS PERTAINING TO CHAPTER 368A OF THE NEVADA ADMINISTRATIVE CODE (LCB FILE NO. R029-21).

- I. NOTICE OF WORKSHOP
- II. PUBLIC COMMENT
- III. MEETING AGENDA
- IV. PUBLIC COMMENT

I. 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 (LCB File No. R029-21)

The Nevada Gaming Control Board (Board) is seeking input from interested persons regarding the possible adoption, amendment, or repeal of regulations pertaining to Chapter 368A of the Nevada Administrative Code (Live Entertainment Tax) as it applies to licensed gaming establishments (LCB File No. R029-21). A workshop has been set to take place immediately following the regularly scheduled Nevada Gaming Commission Meeting as follows:

March 17, 2022 at 2:00 PM**
Gaming Control Board Offices
Grant Sawyer Building
Hearing Room 2450
555 East Washington Avenue
Las Vegas, Nevada 89101

***And via video conference at**
Gaming Control Board Offices
1919 College Parkway
Carson City, Nevada 89706

****The workshop will take place after the adjournment of the Nevada Gaming Commission's regularly scheduled March 17, 2022 meeting. Should the Commission's meeting continue past 2:00 PM, this workshop will commence as soon as the Commission's meeting is adjourned.**

The purpose of the workshop is to solicit comments from interested persons on the following proposed amendment and repeal of certain regulations pertaining to Chapter 368A of the Nevada Administrative Code (LCB File No. R029-21):

Section 1: Proposes to amend the reporting requirements set forth in NAC 368A.510. Specifically, to reduce the number of reports required to be submitted to the Board in paragraphs (b) and (c) of subsection 3 of NAC 368A.510 to once copy. Currently two copies of those reports must be submitted to the Board.

Section 2: Proposes to repeal NAC 368A.460, which requires certain information be shown or displayed on an admission ticket or at the box office where the admission is sold, and that the applicable LET be based on the amount shown or displayed. This repeal is necessary based on the passage of Assembly Bill No. 7 (AB 7) during the 2021 session of the Nevada Legislature, which removed the requirements that (1) each ticket for admission to a facility where live entertainment is provided to show on its face the admission charge; or that (2) the seller of the admission prominently display a notice disclosing the admission charge at the box office or other place where the charge is made. This change can be found in Section 21.5 of AB 7.

In addition to **Section 1** and **Section 2**, to take such additional actions as may be necessary and proper to effectuate this stated purpose.

II. PUBLIC COMMENT

This public comment agenda item is provided in accordance with NRS 241.020(2)(c)(3) which requires an agenda provide for periods devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.

III. WORKSHOP AGENDA

For Possible Action

Review of Chapter 368A of the Nevada Administrative Code (NAC) pursuant to NRS 233B.050(1)(e), discussion and consideration of possible amendments to update the regulations relating to the administration of the Live Entertainment Tax on licensed gaming establishments, and referral of draft (LCB File No. R029-21) of proposed regulation amendments to the Nevada Gaming Commission for Public Hearing and Adoption after review of the draft by the Legislative Counsel Bureau in accordance with NAC Chapter 233B.

IV. PUBLIC COMMENT

This public comment agenda item is provided in accordance with NRS 241.020(2)(c)(3) which requires an agenda provide for periods devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.

PUBLIC NOTICE

The public is hereby noticed that items on this agenda may be taken out of order, two or more agenda items may be combined for consideration, and/or at any time an agenda item may be removed from the agenda or discussion delayed.

The Nevada Gaming Control Board and Nevada Gaming Commission will also take public comment on any matters within their jurisdiction, control or advisory power. Comments by the public may be limited to three minutes as a reasonable time, place and manner restriction, but may not be limited based upon viewpoint.

*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 agenda has been posted at the following locations: 1919 College Parkway, Carson City, Nevada; 555 East Washington Avenue, Suite 2600, Las Vegas, Nevada; on the official **website of the State pursuant to NRS 232.2175; and on the Board's website at: <http://gaming.nv.gov/index.aspx?page=145>.***

*In the event there are supporting materials available for the items on this agenda, such materials will be made available at the meeting or may be requested pursuant to NRS 241.020(6) and (7) by contacting the Custodian of Records at P.O. Box 2008, Carson City, Nevada 89702 or at (775) 684-7760. **Supporting materials may also be available on the Board's website at: <http://gaming.nv.gov/index.aspx?page=52>.***

In the event a member of the public has technical difficulties with the connection to the meeting that is beyond the control of the Nevada Gaming Control Board or Nevada Gaming Commission, please be advised that the meeting transcript will be available after adjournment of the meeting by submitting a request to: transcriptrequests@gcb.nv.gov

** 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.*

**PROPOSED REGULATION OF THE
NEVADA GAMING COMMISSION**

LCB FILE No. R029-21

GCB Revised Draft

February 28, 2022

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: § 1, NRS 368A.140.

A REGULATION relating to taxation; *reducing the number of copies of certain internal auditor reports that must be submitted to the Nevada Gaming Control Board from two to one*; eliminating certain requirements relating to the statement or display of the admission charge to a facility where live entertainment is provided at a licensed gaming establishment; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law imposes a tax on the charge for admission to a facility where live entertainment is provided. (NRS 368A.200) *Under existing law, taxpayers under the jurisdiction of the Nevada Gaming Commission are required to submit to the Nevada Gaming Control Board two copies of a report by the internal auditor summarizing all instances of noncompliance with the requirements for entertainment and any applicable responses by management of the licensee, including any work required to be performed during the reporting period and any additional procedures that were performed: (1) within 120 days after the first 6 months of the business year of the licensee for all instances of noncompliance occurring during the first 6 months of the business years of the licensee; and (2) 150 days after the end of the business year of the licensee for all instances of noncompliance occurring during the final 6 months of the business year of the licensee. (NAC 368A.510). Section 1 of this regulation reduces the number of copies of the reports that must be submitted from two per reporting period down to one per reporting period.*

Assembly Bill No. 7 of the 2021 Legislative Session removed a requirement for: (1) each ticket for admission to a facility where live entertainment is provided to show on its face the admission charge; or (2) the seller of the admission to prominently display a notice disclosing the admission charge at the box office or other place where the charge is made. (Section 21.5 of Assembly Bill No. 7, chapter 509, Statutes of Nevada 2021, at page 3394) **Section 1** of this regulation eliminates certain requirements relating to the statement or display of the admission charge for live entertainment that is provided at a facility at a licensed gaming establishment.

Section 1. NAC 368A.510 is hereby amended to read as follows

NAC 368A.510 1. Each:

(a) Group I licensee that provides live entertainment shall:

(1) Include in its system of internal control, submitted pursuant to Regulation 6.090 of the Nevada Gaming Commission, a description of the procedures adopted by the licensee to comply with NAC 368A.300 to 368A.540, inclusive; and

(2) Comply with that system of internal control and any minimum standards for internal control for entertainment adopted by the Chair pursuant to Regulation 6.090 of the Nevada Gaming Commission.

(b) Group II licensee that provides live entertainment and each taxpayer that holds a restricted license shall comply with any procedures for internal control for entertainment adopted by the Chair pursuant to Regulation 6.100 of the Nevada Gaming Commission.

↪ Except as otherwise approved in writing by the Chair, a taxpayer shall not carry out any procedures for internal control that deviate from any standards or procedures for internal control for entertainment adopted and published by the Chair.

2. Each group I licensee that provides live entertainment shall direct its independent accountant to perform observations, examinations of documents and inquiries of employees, using any applicable guidelines, checklists and other criteria established by the Chair, to determine compliance with the requirements for entertainment. The independent accountant shall report his or her findings as part of the report required by subsection 9 of Regulation 6.090 of the Nevada Gaming Commission.

3. The internal auditor of each group I licensee that provides live entertainment shall:

(a) Using any applicable guidelines, checklists and other criteria established by the Chair, perform observations, examinations of documents and inquiries of employees to determine compliance with the requirements for entertainment.

(b) Submit to the Board within 120 days after the last day of the first 6 months of the business year of the licensee ~~two copies~~ *one copy* of a report by the internal auditor summarizing all instances of noncompliance with the requirements for entertainment during the first 6 months of the business year of the licensee and any applicable responses by the management of the licensee, including any work required to be performed during the reporting period and any additional procedures that were performed.

(c) Submit to the Board within 150 days after the end of the business year of the licensee ~~two copies~~ *one copy* of a report by the internal auditor summarizing all instances of noncompliance with the requirements for entertainment during the final 6 months of the business year of the licensee and any applicable responses by the management of the licensee, including any work required to be performed during the reporting period and any additional procedures that were performed.

4. As used in this section:

(a) “Group I licensee” and “group II licensee” have the meanings ascribed to those terms in Regulation 6.010 of the Nevada Gaming Commission.

(b) “Requirements for entertainment” means the provisions of chapter 368A of NRS, NAC 368A.300 to 368A.540, inclusive, and any minimum standards for internal control for entertainment adopted by the Chair.

Sec. 2. NAC 368A.460 is hereby repealed.

TEXT OF REPEALED SECTION

NAC 368A.460 Statement of admission charge shown on ticket or displayed at box office: Required disclosure; payment of tax based on admission charge shown or displayed; receipt substitutes for ticket. (NRS 368A.140)

1. The statement of the admission charge required to be shown or displayed pursuant to subsection 3 of NRS 368A.200 must disclose the amount of the admission charge to be paid by the patron to enter, or have access to, the facility where the live entertainment is provided, excluding the amount of the tax imposed by NRS 368A.200.

2. The taxpayer shall pay the tax imposed by NRS 368A.200 based on the admission charge shown or displayed pursuant to subsection 3 of NRS 368A.200.

3. For the purposes of this section and subsection 3 of NRS 368A.200, if a ticket for admission to facility where live entertainment is provided is not issued to a patron, a receipt documenting the purchase of an admission to such a facility substitutes for a ticket.