



BRIAN SANDOVAL
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

A.G. BURNETT, *Chairman*
SHAWN R. REID, *Member*
TERRY JOHNSON, *Member*

September 23, 2016

SMALL BUSINESS IMPACT STATEMENT REGARDING LCB FILE NO. R104-15 (NRS 233B.0608)

I, Terry Johnson, being a duly appointed Member of the Nevada Gaming Control Board (Board), do hereby certify that, to the best of my knowledge or belief, the proposed permanent regulation, Legislative Counsel Bureau (LCB) File No. R104-15, will not: (a) impose a direct or significant economic burden upon small businesses; or (b) directly restrict the formation, operation or expansion of small businesses.

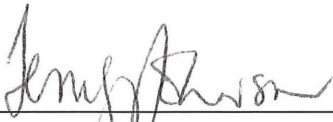
I hereby further certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed permanent regulation, LCB File No. R104-15, on small businesses. The concerted effort included the following:

1. Board staff evaluated the changes made to Chapter 368A of the Nevada Revised Statutes (NRS) pursuant to Senate Bill No. 2266 (SB 266) (enacted during the 78th (2015) Session of the Nevada Legislature) and reached the conclusion that the changes made to the statute, which prompted the need to adopt the proposed permanent regulation, did not add any negative burden on small businesses that hold gaming licenses (the small businesses under the Nevada Gaming Commission's jurisdiction). To the contrary, Board staff determined that the changes actually lessened the burden on some small businesses to which the Live Entertainment Tax (LET) applies.
2. Board staff further determined that the statutory changes made pursuant to SB 266 did not increase the number of small businesses affected by LET, nor the amount of LET that customers of those small businesses would have to pay. To the contrary, Board staff determined that the statutory changes reduced the tax rate, limited the imposition of LET to just those venues that imposed an admission charge, and only imposed LET on admission charges, whereas the previous version of the LET statutes had imposed LET on food, beverages and merchandise sales as well as the sales of admissions. Based on

this, Board staff determined that the statutory changes actually had a positive financial impact on small businesses that hold gaming licenses.

3. Board staff further determined that the proposed permanent regulation, LCB File No. R104-15, will not impose any additional reporting or administrative requirements on small businesses that are licensed gaming establishments. Instead, Board staff determined that the proposed permanent regulations reduce such requirements since, under the statutory changes in SB 266, businesses would no longer need to impose the tax on the sale of food, beverages, or merchandise, but instead only impose it on admission charges. This change reduced the record keeping requirements. Further, because the tax only applies in situations where an admission charge is imposed, the number of live entertainment events for which LET would be imposed has been reduced.
4. During the adoption process, six workshops were held. Each of these workshops was noticed to all gaming licensees, including small business licensees, that had signed up to receive email notifications. Further, the Board posted the notices on its website and the various other locations required under the Administrative Procedures Act (NRS 233B) and Open Meeting Law (NRS 241). At each of these workshops, attendees, including those representing small businesses, were encouraged to provide comment. At none of these workshops did any small businesses indicate that the proposed amendment would impose a direct burden on their operations. Further, I met with the Nevada Taxpayers Association (NTA), whose membership and policy representation includes small businesses, to present and discuss the proposed regulations and ensure there were no adverse impacts upon small businesses. There was no indication given that the NTA believed the regulations would have a direct negative impact on small businesses.

I hereby further certify that, to the best of my knowledge or belief, the information contained in this statement was prepared properly and is accurate.



Terry Johnson, Esq.

Member

Nevada Gaming Control Board