

Nevada Gaming Control Board

Senate Committee on Revenue and Economic Development

Agency and Revenue Overview

February 18, 2025

Kirk D. Hendrick
Chairman, Nevada Gaming Control Board



EXHIBIT C Senate Committee on Revenue and
Economic Development
Date: 2-18-2025 Total pages: 21
Exhibit begins with: C1 thru: C21

Gaming Regulation in Nevada

Two-tiered oversight system

- NEVADA GAMING CONTROL BOARD
 - Investigates applicants and audits licensees, makes licensing recommendations, enforces gaming laws and collects licensing fees and gaming taxes.
- NEVADA GAMING COMMISSION
 - Final authority on gaming matters.



Regulatory Structure

Nevada Gaming Control Board

Kirk D. Hendrick, Chairman
Hon. George Assad (Ret.), Member
Chandni Sendall, Member

Governor

Nevada Gaming Commission

Hon. Jennifer Tigliatti (Ret.), Chair
Rosa Solis-Rainey, Member
Hon. Brian Krolicki (Ret.), Member
George Markantonis, Member
Hon. Abbi Silver (Ret.), Member

Gaming Policy
Committee

Nevada Gaming
Control Board

Nevada Gaming
Commission



Mission of the Nevada Gaming Control Board

- Govern Nevada's gaming industry through strict regulation of all persons, locations, practices, associations and related activities.
- Protect the integrity and stability of the gaming industry.
- Ensure the accurate and timely collection of gaming taxes and fees.



Structure of Nevada Gaming Control Board

Executive Offices & Administration Division

- Provides administrative services to the Board, Commission, and Divisions for financial services, records, facilities, and training. The Administration Division also provides legal and economic research and policy support to the Board, the Economic Forum, the Nevada Legislature, the Governor's Office, and the public.

Audit Division

- Audits the records of Group 1 licensees for compliance with the Gaming Control Act and NGC Regulations. Group 1 licensees are those that collect approximately \$8.019 million or more in gross gaming revenue for the fiscal year ending June 30, 2024.



Structure of Nevada Gaming Control Board

Enforcement Division

- Conducts criminal and regulation investigations, arbitrates disputes between patrons and licensees, gathers intelligence on organized criminal groups and makes recommendations for excluded persons. Agents are POST-certified peace officers in Nevada.

Investigations Division

- Investigates all gaming license and key employee applicants and makes licensing recommendations to the Board. Monitors, investigates, and analyzes activities of publicly traded corporations and their subsidiaries involved in the gaming industry.



Structure of Nevada Gaming Control Board

Tax & License Division

- Collects and deposits all gaming taxes, fees, penalties, interest and fines.
- Attends all Board and Commission meetings to record outcomes, issue licenses, monitor owners, and any applicable conditions, and licensing history.
- Performs compliance reviews of Group II licensees (those collecting less than approximately \$8.019 million in gross gaming revenue for the fiscal year ending June 30, 2024), stand alone manufacturers and distributors, and operators of a slot machine route.
- Monitors Tribal Gaming Compacts in Nevada.



Structure of Nevada Gaming Control Board

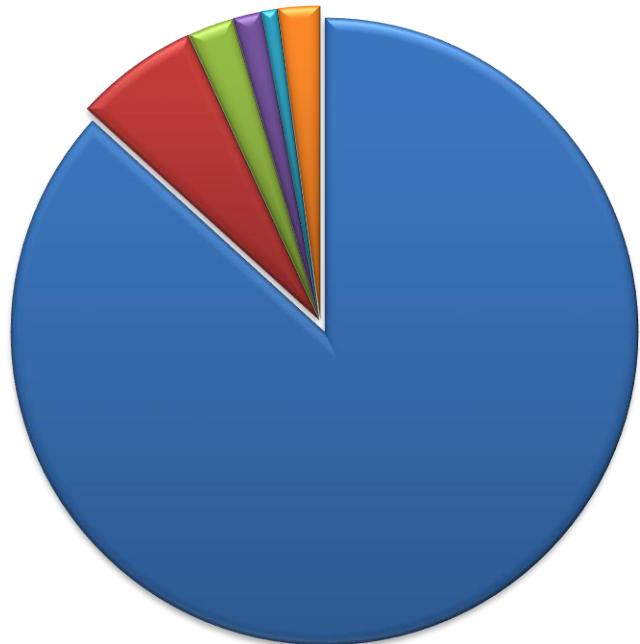
Technology Division

- Reviews and makes recommendations for game approval based on results from independent testing labs.
- Performs random inspections of gaming devices and associated equipment.
- Monitors technology trends and provides guidance to industry and Board on gaming technology.
- Provides forensic support to the other Divisions of the Board.
- Manages the Board's internal information technology services.



Revenues Collected FY 24 (ending June 30, 2024)

Gaming Collections by Geographic Area



	<i>Millions</i>	<i>Percent of Total</i>
■ Clark	\$ 1,067.3	86.7%
■ Washoe	\$ 78.9	6.4%
■ Elko	\$ 29.4	2.4%
■ South Lake Tahoe	\$ 18.4	1.5%
■ Carson Valley	\$ 10.6	0.9%
■ Other	\$ 25.7	2.1%

Total Revenues Collected: \$1,230,306,247



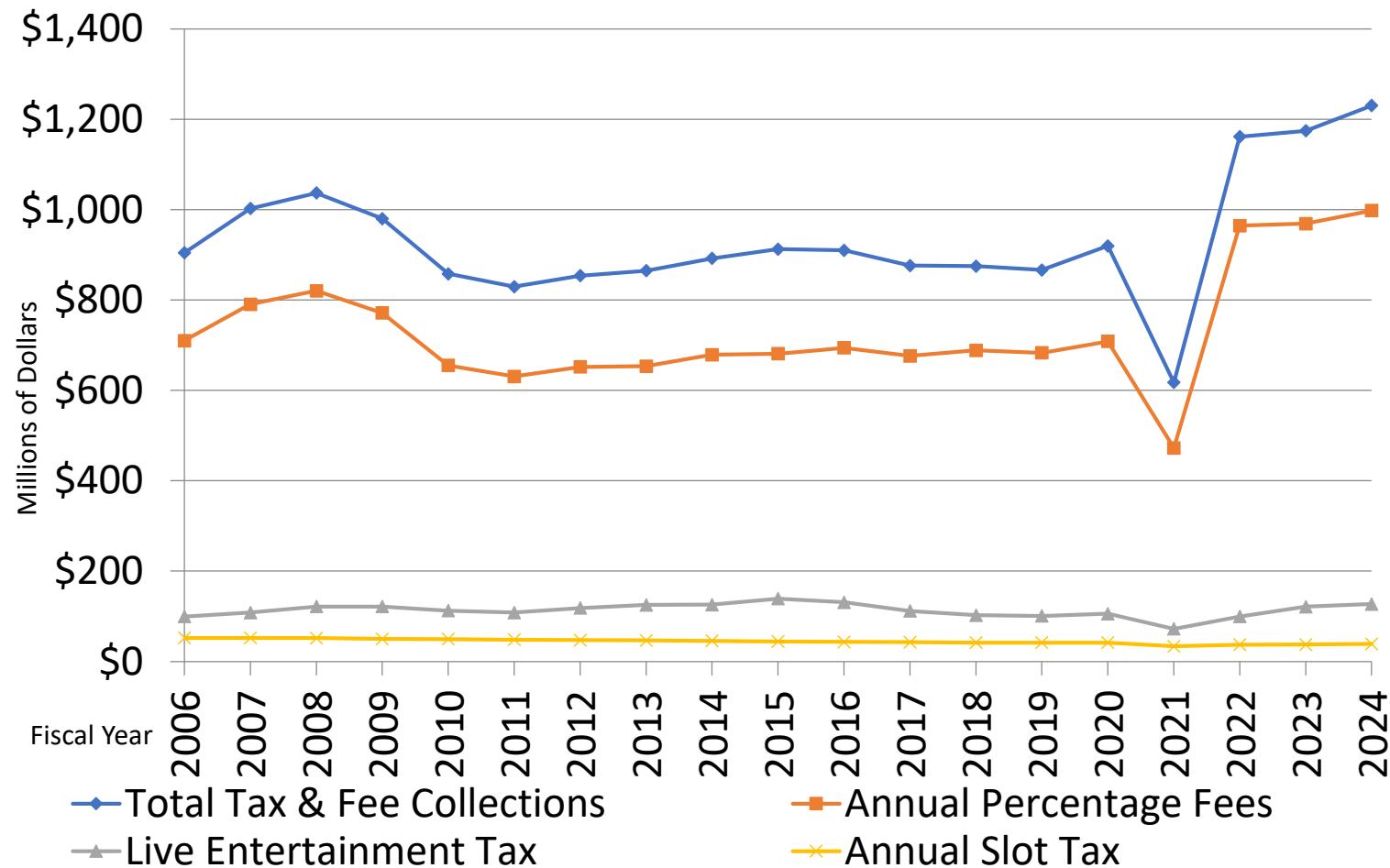
Collections by Category FY 24

Revenue	Collections (in millions)	Percent
Percentage Fees	\$ 997.7	81.1%
Live Entertainment Tax	\$ 126.9	10.3%
Annual Slot Tax	\$ 39.0	3.2%
Quarterly Nonrestricted Slot Fee	\$ 10.6	0.9%
Quarterly Restricted Slot Fee	\$ 8.6	0.7%
Quarterly Games Tax	\$ 5.5	0.4%
Annual Games Tax	\$ 2.1	0.2%
Other Collections	\$ 39.9	3.2%
Total	\$ 1,230.3	100.0%



Gaming Collections

FY 2005 to FY 2024



Revenues Collected by Type

Percentage Fees

FY 23 collections: \$968,750,360

FY 24 collections: \$997,669,973

- Tax is based on nonrestricted licensee's monthly taxable gross gaming revenue, as defined in NRS 463.0161.
- Tax rates are:
 - 3.5% of the first \$50,000 of taxable revenue.
 - 4.5% of the next \$84,000.
 - 6.75% of all revenue exceeding \$134,000.



Revenues Collected by Type

Live Entertainment Tax

FY 23 collections: \$121,381,051

FY 24 collections: \$126,959,093

- During the 2015 Legislative Session the tax rate changed from 10% and 5%, to 9% on admission charges only. The provisions governing the taxation of food, refreshments, and merchandise sold at a facility where live entertainment is provided were removed.



Revenues Collected by Type

Quarterly Nonrestricted Slot Fees

FY 23 collections: \$10,246,840

FY 24 collections: \$10,555,860

- Payment is based on a quarterly fee of \$20 per machine operated by each nonrestricted licensee.

Quarterly Restricted Slot Fees

FY 23 collections: \$8,481,111

FY 24 collections: \$8,607,270

- Payment is based on the number of slot machines a restricted location is operating each quarter, with a payment of \$81 per slot machine for the operation of 1 to 5 machines and a payment of \$141 per slot machine in excess of 5 up to the maximum of 15.



Revenues Collected by Type

Quarterly Nonrestricted Game Fees

FY 23 collections: \$5,437,382

FY 24 collections: \$5,488,322

- Payment is based on the number of games a nonrestricted licensee is operating each quarter.

Advance License Fees

FY 23 collections: \$ 53,651

FY 24 collections: \$9,613,513

- New nonrestricted licensees, after their first full month of operations, must pay a fee equal to three times the amount of percentage fees owed for that month.



Revenues Collected by Type

Manufacturer and Distributor Licensee Fees

FY 23 collections: \$279,490

FY 24 collections: \$300,000

- Annual fee of \$1,000 for manufacturers and \$500 for distributors.

Slot Route Operator License Fees

FY 23 collections: \$25,000

FY 24 collections: \$25,000

- Annual fee of \$500.



Revenues Collected by Type

Annual Slot Tax

FY 23 collections: \$37,464,082

FY 24 collections: \$38,972,282

- Payment is based on an annual slot \$250 per slot machine paid by all licensees. The first \$5 million of the tax is deposited in the Capital Construction Fund for Higher Education. Twenty percent of the tax is remitted to the Special Capital Construction Fund for Higher Education. The remaining balance of the tax is deposited in the Distributive School Account.

Annual Games Fee

FY 23 collections: \$2,090,625

FY 24 collections: \$2,144,733

- Payment is based on the number of games a nonrestricted licensee is operating. Collections are earmarked and split equally among Nevada's 17 counties.



Revenues Collected by Type

Expired Wagering Vouchers

FY 23 collections: \$19,316,120

FY 24 collections: \$18,374,082

- Nonrestricted licensees are required to remit 75% of the value of unredeemed wagering vouchers quarterly on or before the 15th day of the month following the end of the preceding calendar quarter. Pursuant to NRS 463.369, the remaining 25% is retained by the licensee.



Revenues Collected by Type

Operator of Interactive Gaming License Fee

FY 23 collections: \$500,000

FY 24 collections: \$500,000

- The initial fee is \$500,000 for a two-year license. The annual fee thereafter is \$250,000.

Manufacturer of Interactive Gaming Systems License

FY 23 collections: \$75,000

FY 24 collections: \$75,000

- The initial fee is \$125,000 for a one-year license. The annual fee thereafter is \$25,000.



Revenues Collected by Type

Interactive Gaming Service Provider License

FY 23 collections: \$13,000

FY 24 collections: \$13,000

- Annual Fee of \$1,000.



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