

GAMING INDUSTRY USER FEES AND EDUCATION HIGHLIGHT SESSION'S FOURTH DAY

DATE: FEBRUARY 27, 2010

The State Senate heard testimony concerning the proposal to replace state general funds currently funding the State Gaming Control Board (the "Board") and the Nevada Gaming Commission (the "Commission") with user fees paid directly by the gaming industry. The move would raise approximately \$32.5 million in revenue for the state.

The Nevada Resort Association (the "NRA") issued a press release late Thursday night stating its membership could not reach consensus to support this funding option. During Friday's Senate testimony on the issue, one of the NRA's lobbyists echoed the themes of the press release, noting the industry's 2009 losses of roughly \$6.7 billion and over 34,000 jobs that have been lost. Senate members questioned why the gaming regulatory system should be subsidized by the state when other industries fund their respective regulatory agencies. The NRA provided that Nevada's gaming regulatory system enjoys worldwide respect and recognition precisely because of the separation it enjoys from the industry it oversees. Requiring the industry to fund the Board and Commission, according to the NRA would undermine this.

The Assembly considered Assembly Bills 4 and 5. A.B. 4 proposes to set aside for the 2010-2011 fiscal year the student-teacher ratios required by state law. The law currently caps 1st and 2nd grade class size at 16 students and

3rd grade class size is capped at 19. A.B. 4, if passed, would allow the state's school districts the flexibility to raise enrollment to 18 in grades 1 and 2 and to 21 in for the 3rd grade. A.B. 4 would also require that any savings enjoyed by the school districts as a result of the larger class sizes be spent to reduce class sizes in grades 4 to 12.

A.B. 5 proposes to suspend for the 2009-2011 biennium the minimum textbook expenditure requirements for all school districts, charter schools, and for the university school for the gifted. Currently, pursuant to state law, the State Department of Education establishes the amount that each of these entities is required to spend on textbooks and supplies during each fiscal year.

A.B. 4 and A.B. 5 were both passed from committee and await consideration by the full Assembly.

For more information on the business of the 26th Special Session of the Nevada Legislature contact one of Lionel Sawyer's Legislative Advocacy Team. Our team is headed by Richard H. Bryan (<mailto:rbryan@lionelsawyer.com>) and includes:

- Bob Faiss (<mailto:rfaiss@lionelsawyer.com>)
- Dan Reaser (<mailto:dreaser@lionelsawyer.com>)
- Mark Clayton (<mailto:mclayton@lionelsawyer.com>)
- Lauren Calvert (<mailto:lcalvert@lionelsawyer.com>)

- Brin Gibson (<mailto:bgibson@lionelsawyer.com>)

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