

Gaming board chairman says more casino bankruptcies expected - Las Vegas Sun

Written by Administrator
Tuesday, 08 February 2011 13:26 -

By [Cy Ryan](#) ([contact](#))

Tuesday, Feb. 8, 2011 | 11:21 a.m.

<div class="inline text-inline inline-right">

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CARSON CITY – The chairman of the Nevada Gaming Control Board says he expects more casino bankruptcies in the stagnant economy.

Chairman Mark Lipparelli told the Senate Finance Committee today that statewide gaming win has dipped from about \$1 billion monthly to about \$829 million.

He said he wished these bankruptcies were at an end but he expects “more to come.”

He was questioned by Finance Chairman Sen. Steven Horsford, D-Las Vegas, about a proposed \$28 million tax increase on the industry. The special session of the Legislature directed the board to do a study on possibly making the board fully funded by the gaming industry.

The state now chips in 60 percent of the Control Board's budget and 40 percent is paid by the industry. It would take an additional \$27 to \$28 million to be fully paid for by the industry, although that could lead to questions about whether the board is independent.

One of the alternatives is to increase quarterly and annual fees on each slot machine. Another

option would be to hit casinos that have 100 or more machines with a flat fee.

On his budget, the chairman said the proposal is for it to be lowered by \$7 million over the next biennium to a two-year total of \$84.4 million.

After the last session of the Legislature in 2009, the Gaming Control Board increased its fees from \$80 to \$135 an hour for investigations. Stacey Woodbury, chief of administration for the board, said that brings in an extra \$4 million a year from the industry.

On the overall health of the industry, Lipparelli said it has been declining for four or five years with fewer slot machines and fewer licensees. There was concern expressed by committee members about the time it takes for the board to do testing to bring a new device to the casino floor.

Lipparelli said a modification of a gaming unit is usually approved within 30 days, but the study of new technology takes upward of a year.

Field trials usually take 30 to 60 days and can go up to 180 days if there are problems, he said. A large part of the slowdown occurs when the board notifies the developer of the issue and the time it takes to get a reply.

One possible solution, Lipparelli said, would be to allow developers to come to Nevada, develop their product and then let casinos apply for the license for the device.

Currently, a developer can't come to Nevada to design a product without the high cost of getting a state license. He said that might be remedied by allowing developers to plan a product and let the casino seek a license for it.

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