

NEVADA

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Market Overview

After establishing the first modern regulatory system for casino gaming in the late 1950s, Nevada developed a longstanding reputation as the premier domestic and international gaming destination, welcoming millions of visitors to its casino-resorts each year.

In 2001, Nevada became the first state to legalize iGaming before adopting regulations ten years later limited to online poker games. Exempted from the 1992 congressional law that prevented states from legalizing sports betting until 2018, Nevada is also the longest running market for legal sports wagering in the United States.

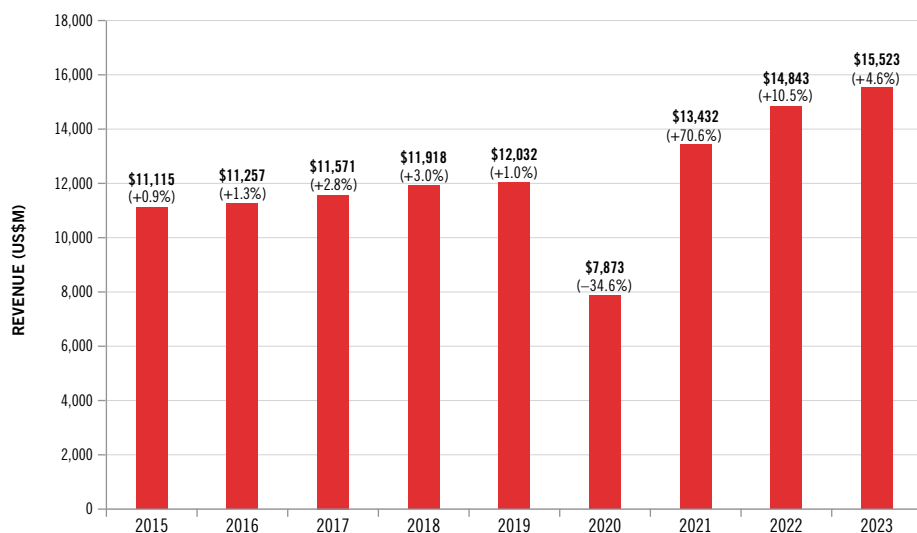
The state's commercial casinos are regulated by the Nevada Gaming Control Board (NGCB) and Nevada Gaming Commission (NGC), with no restrictions on the number of licenses available.

Market Performance

In 2023, total statewide commercial casino gaming revenue was a record \$15.52 billion, up 4.6 percent compared to 2022. After suffering a sharp revenue decline during the peak pandemic year of 2020, 2023 was the third straight year of record-setting commercial gaming revenue in Nevada.

Total statewide gaming revenue from electronic gaming devices was \$10.28 billion, up 2.8 percent versus the prior year, while revenue from table games was \$4.76 billion, up 8.4 percent. Sports betting revenue hit a record total of

NEVADA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Nevada Gaming Control Board

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

225

CASINO FORMAT

Land-Based Casinos

REGULATORY AUTHORITY

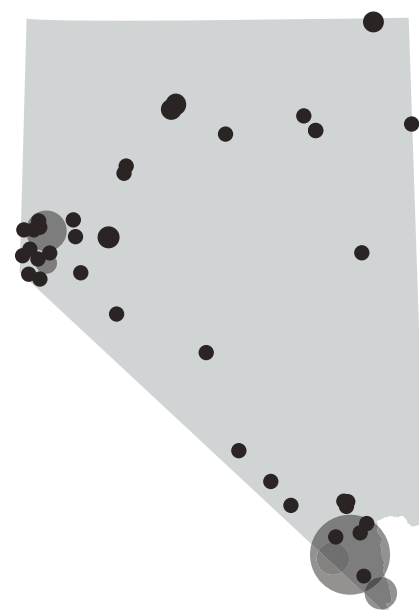
Nevada Gaming Control Board; Nevada Gaming Commission

GROSS CASINO GAMING REVENUE 2023

\$15.52B

CASINO TAX REVENUE 2023

\$1.21B



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\$481.3 million, up 7.7 percent from 2022. Unlike in other states with both land-based and mobile sports betting, revenue in Nevada was equally split between the two channels in 2023, reflecting Nevada's status as a major tourist destination for out-of-state visitors and regulatory restrictions that continue to require in-person registration of mobile wagering accounts.

Continuing a post-pandemic trend, overall growth of the Nevada commercial casino gaming market was again led by the Las Vegas Strip in 2023. Commercial casino-resorts on the Strip reported total revenue from electronic gaming devices and table games of \$8.69 billion, up 7.2 percent versus 2022, while those in other parts of Nevada that are typically more dependent on local players than out-of-state tourists reported total casino gaming revenue of \$6.35 billion, up slightly less than one percent.

In 2023, Las Vegas received some 40.8 million visits from tourists, up 5.2 percent from 2022, according to the Las Vegas Convention and Visitors Authority.

Gaming Tax Distribution

Nevada commercial casinos are subject to a state tax of 6.75 percent on all gross gaming revenue exceeding \$134,000 per month, with lower rates applying to revenue below that threshold.

Casino operators are also subject to a tax on live entertainment offerings hosted within their resorts. Quarterly and annual fees are also assessed according to the number of electronic gaming devices and table games installed on casinos' gaming floors. Meanwhile, host counties and municipalities may impose additional fees.

Nevada sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2023, Nevada collected a total of \$1.21 billion in state gaming and live entertainment tax revenue from commercial casinos, an increase of 5.0 percent versus the prior year.

In accordance with state law, the vast majority of tax revenue from gaming is directed to Nevada's General Fund, then redistributed on a biennial basis at the direction of the legislature, for purposes including statewide education programs, transportation services and general budgetary needs. Additional gaming tax funds go to local school systems and county governments.

Competitive Landscape

As one of the world's foremost destinations for entertainment and business conventions, Las Vegas faces a somewhat different competitive environment than most other U.S. gaming markets.

While Las Vegas' commercial casinos compete for drive-in patrons to some extent with southern California tribal casinos, the city as a whole also competes with various national and international locations for discretionary tourist and business traveler dollars.

In December 2023, two major new Las Vegas casino-resorts—Fontainebleau Las Vegas and Durango Resort—opened their doors. The landmark Tropicana Las Vegas casino-resort is set to be shuttered in 2024, however, in order to make way for a new baseball stadium adjacent to the Las Vegas Strip.

Outside of Las Vegas, commercial casinos in Reno and other parts of northern Nevada face fierce regional competition from several dozen tribal casino-resorts in northern California.

Policy & Regulatory Review

Illegal Gaming

In April, the chairman of the Nevada Gaming Control Board sent a letter to U.S. Attorney General Merrick Garland on behalf of gaming regulatory agencies in Nevada and six other states, urging the U.S. Department of Justice to prioritize enforcement actions against illegal offshore sports betting and iGaming platforms.

"The many significant threats posed by offshore illegal gambling cannot be addressed by states alone and, therefore, require heightened federal attention and engagement," said the letter, which was co-signed by chief gaming regulatory officials in New Jersey, Michigan, Illinois, Colorado, Louisiana and Mississippi.

The U.S. Department of Justice sent a response to the letter in July, insisting that federal law enforcement agencies take illegal gambling seriously and continue to investigate illegal iGaming operations.

Regulatory Reform

Nevada policymakers advanced several gaming regulatory reform initiatives in 2023.

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Following a series of workshops with industry executives, the Nevada Gaming Control Board launched a new initiative in November to enable certain modifications to gaming technologies and systems to be deployed without requiring inspection or prior approval by either the board or an independent testing laboratory. Industry officials had previously complained that Nevada’s approval process meant new gaming technologies could often be deployed quicker in other markets.

In June, Gov. Joe Lombardo (R) separately signed a bill to make several reforms to Nevada gaming statutes. Among other things, the new legislation means Nevada casino gaming operators no longer have to file an annual report with the Nevada Gaming Control Board related to their gaming operations outside the state.

Sports Betting

In October, the Nevada Gaming Commission voted to adopt regulatory amendments to facilitate betting on esports contests through the state’s licensed sportsbooks.

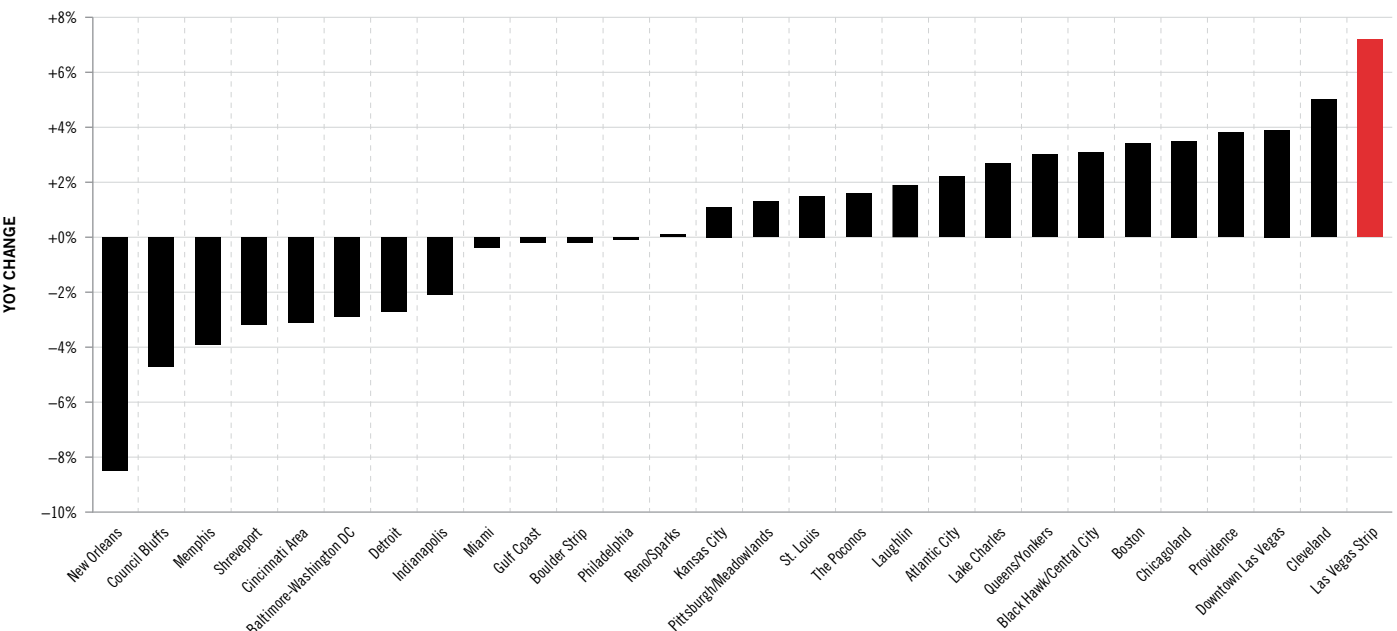
The new regulations enable sports betting operators to generally offer wagers on esports contests just as they do on traditional sporting events, provided they have been able to obtain sufficient information regarding the integrity of the esports event in question. Operators are also required to submit a quarterly report on the esports events on which they accept wagers.

Under previous regulations, Nevada sportsbook operators were required to obtain prior regulatory approval for each and every esports tournament they wished to offer bets on.

The updated regulations were developed by a special advisory panel formed in 2021 at the behest of the state legislature.

UNITED STATES: YOY COMMERCIAL CASINO REVENUE GROWTH BY MARKET 2023

The Las Vegas Strip was both the largest and fastest growing land-based commercial casino market in 2023, with total annual gaming revenue on the Strip increasing by 7.4 percent to more than \$8.90 billion.



SOURCE: State Gaming Regulatory Agencies