

Nevada casinos face 25% occupancy limit under new COVID rules

By [Bailey Schulz](#), [Richard N. Velotta](#) and [Mike Shoro](#) Las Vegas Review-Journal

November 22, 2020 - 6:28 pm

The state's economy will benefit from avoiding another shutdown, though new capacity restrictions will put [further strain on the state's economic engine](#), the gaming industry, and its bars and restaurants, experts say.

[In a Sunday press conference](#), Sisolak said effective 12:01 a.m. Tuesday, occupancy limitations at casinos and [their bars and restaurants](#) will be reduced from 50 percent to 25 percent.

Halving casino capacity to 25 percent will hurt an industry that has taken “exorbitant” steps to protect its guests and employees from the coronavirus, according to Brendan Bussmann, director of government affairs for Global Market Advisors.

Since Nevada casinos first shut down in mid-March, group business and entertainment among resorts has been largely nonexistent. The industry had taken steps to recover those revenue streams in recent weeks, but new occupancy limitations could nullify that progress.

Limiting gatherings to 50 or fewer people halts momentum that the convention industry had gained under the previous 250-person cap, according to Josh Swissman, founding partner of The Strategy Organization consulting group. The 50-person limit could also prompt shows on the Strip, which recently returned with “a lot of fanfare,” to cancel their shows.

Swissman said a 25-percent capacity limit on casinos probably won’t change much for midweek business — for those still operating midweek. What it will hurt, Swissman said, is weekend business.

“That’s the time of the week for the casinos to really make money,” Swissman said. “That was true before the pandemic, and it is especially true now.”

‘Suffer the consequences’

Sisolak said he has had conversations with “most gaming operators” in the last 24 hours, and said the full force of the Nevada Gaming Control Board will be behind the implementation and enforcement of the new requirements.

He added that if casinos do not follow the new requirements, “they will suffer the consequences.”

Newly-appointed Control Board Chairman Brin Gibson said the state’s gaming regulatory body will vigorously enforce the new gaming floor occupancy restrictions among the state’s licensees.

“The more successfully Nevada mitigates the current spread of COVID over the next several weeks, the more likely we are to experience a complete return to current gaming floor occupancy percentages at that point” he said.

The Nevada Gaming Commission already has acted on nine complaints brought by the Control Board against licensees since late July.

Strip casino operator MGM Resorts International is immediately working to adjust its operations to comply with the new restrictions, spokesman Brian Ahern said in an emailed statement from the company.

He added that the new restriction “will clearly have a major impact” on entertainment, and the company is working with its partners to determine a path forward. The company had brought back [seven shows](#) earlier this month, including Carrot Top at Luxor Theater and Jabbawokeyz at the MGM Grand Garden Arena.

“We will share that information (on entertainment) as quickly as possible to minimize guest inconvenience,” Ahern said. “The health and safety of our employees and guests is our number one priority and we remain committed to the comprehensive plan we have put in place.”

A spokesperson for Caesars Entertainment Inc. said the company will comply with Sisolak’s orders. Its restaurants and bars will remain open and continue to offer to-go options, and guests at most of its Nevada resorts will have the option to order pick up or delivery to their hotel room.

Wynn Resorts Ltd. spokesman Michael Weaver said the company will also implement the directives of the pause.

“We believe the Governor made a prudent decision that will protect public health,” he said.

Spokespeople for Boyd Gaming Corp., Las Vegas Sands Corp. and Red Rock Resorts Inc. did not respond to requests for comment.

Culinary Union spokesperson Bethany Khan declined comment. Culinary Workers Union Local 226 and Bartenders Union Local 165, affiliates of Unite Here, represent roughly 60,000 workers in Las Vegas and Reno.

Sportsbook auditor Cristina Delgado was relieved casinos will not be shutting down a second time, but worries the new restrictions will further curtail business levels along the Strip. Her hourly income relies directly on casino and sportsbook operations.

“The amount of traffic we get in through casinos ... that place bets in person, that basically pays our salaries,” she said. “If money’s not coming through casinos, it’s not going to come to our payroll.”

Delgado had already been placed on a four-month furlough earlier this year, during the casino shutdown. Her biggest concern is a second round of furloughs if business volumes drop; her husband has yet to see any Pandemic Unemployment Assistance payments, meaning Delgado is currently the sole breadwinner for their family.

“I’m still struggling to catch up (after the first furlough),” she said. A second “would devastate my family, financially.”

A ‘grim future’ if the virus spreads

New mandates will be in place at least three weeks, after which Sisolak and his team will evaluate the state's COVID-19 numbers and adjust the restrictions' severity as necessary.

“Our casinos, hotels, restaurants and bars are open with strict restrictions so that we can protect our economy,” Sisolak said. “Weighing the loss of jobs and businesses versus the loss of health and lives is painful, without a perfect solution.”

Coronavirus restrictions could remain or potentially steepen in three weeks, but news of successful COVID-19 vaccine trials provide a spark of optimism for “a light at the end of the tunnel,” Swissman said.

He suspects businesses will “do whatever it takes basically to stay alive or stay afloat” until vaccines are widely distributed.

“They know now that it's not forever,” Swissman said. He added that gaming operators should be prepared to handle an expansion to the restrictions, since they have grown accustomed to changing their operating model on the fly since March.

Steve Hill, president and CEO of the Las Vegas Convention and Visitors Authority, said putting the health and safety of the state's residents and visitors is the organization's highest priority.

“Our resorts, casinos and attractions remain committed to supporting the state's directives and doing our part to reduce the spread of the virus,” he said.

Virginia Valentine, president and CEO of the Nevada Resort Association, said the group understands why the governor heightened restrictions, and urged the public to follow the new mandates.

“We understand the governor’s actions seek to balance the best interests of public health with the ongoing economic impacts,” she said. “Like every state in the nation, Nevada faces a grim future if the virus’ spread is not contained and reversed quickly.”

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Contact Bailey Schulz at bschulz@reviewjournal.com. Follow @bailey_schulz on Twitter. Contact Richard N. Velotta at rvelotta@reviewjournal.com or 702-477-3893. Follow [@RickVelotta](https://twitter.com/RickVelotta) on Twitter. Contact Mike Shoro at mshoro@reviewjournal.com or 702-387-5290. Follow [@mike_shoro](https://twitter.com/mike_shoro) on Twitter.