

Congress of the United States

Washington, DC 20510

April 8, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Charles Schumer
Democratic Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Majority Leader McConnell, Speaker Pelosi, Leader Schumer and Leader McCarthy:

As you continue negotiations on additional funding for the Paycheck Protection Program – a new U.S. Small Business Administration (SBA) program authorized by the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* – and move toward a fourth coronavirus stimulus package, we ask that you ensure that businesses with 500 or fewer employees that derive more than one-third of their annual revenues from legal gaming activities are made explicitly eligible for assistance under PPP.

Small businesses in the gaming industry support more than 350,000 jobs in the United States. In states like Nevada, many of our communities rely substantially on the gaming industry for employment, tax revenue, and economic growth. Many of our casinos – including hotels – are small businesses, and they employ many tens of thousands of employees across our state, making up the backbone of Nevada’s economy. These small businesses are located in both our large urban areas and rural communities. Furthermore, many Nevada small businesses such as restaurants, bars, grocery stores, and convenience stores operate gaming equipment and derive revenue from it. Our state is also home to a large number of small businesses in the gaming equipment manufacturing industry.

Unfortunately, recent guidance released by the U.S. Small Business Administration (SBA) and the U.S. Department of Treasury exclude any small business that derives more than one-third of their revenue from legal gaming activities from participation in PPP. While SBA has in the past precluded gaming businesses from participating in its traditional programs such as the 7(a) Loan and Economic Injury Disaster Loans (EIDL), Congressional intent in the *CARES Act* for the new Paycheck Protection Program was for all small businesses to be eligible for PPP, in direct response to the nationwide economic downturn resulting from the coronavirus pandemic. In fact, in Section 1102 of the *CARES Act*, the legislation explicitly states that “in addition to small business concerns, any business concern, nonprofit organization, veterans organization, or Tribal business concern described in section 31(b)(2)(C) shall be eligible to receive a covered loan” if the business has 500 or fewer employees.

We are extremely disappointed that the SBA released this guidance not only over our repeated objections, but also in contravention of explicit congressional intent that any business should be eligible if it has 500 or fewer employees. Small businesses across the country are struggling because of the impact of COVID-19 and Congress passed the *CARES Act* to ensure that small businesses can keep people employed and that our economy quickly recover from the pandemic. Excluding certain industries based on regulations from previously existing programs jeopardizes small businesses, workers, and the communities that depend on them.


For these reasons, we believe it is critical to provide clear statutory language in all future relief legislation regarding the eligibility of businesses that derive revenue from legal gaming activities. We urge you to incorporate the following language into the next bill to fund PPP or any forthcoming coronavirus stimulate package to ensure that legal gaming entities receive much-needed SBA assistance to weather this economic storm:


“Notwithstanding 13 CFR § 120.110 or any other provision of law or regulation, the receipt of gaming revenue shall not prevent any person from being eligible for any program, loan, grant or any benefit made available by the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136), the Families First Coronavirus Response Act (P.L. 116-17), or the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (P.L. 116-123)”


This bipartisan issue deeply affects Nevada and many states throughout the country that depend on the revenue and jobs created by the gaming industry. Given these dire and unprecedented times due to the coronavirus outbreak, we ask that you provide much needed relief for Nevada small gaming businesses as soon as possible.


We appreciate your work on behalf of Nevada and our nation’s small businesses. We look forward to working with you on this issue.

Sincerely,


United States Senator


United States Senator


Member of Congress


Member of Congress


Member of Congress


Member of Congress