The rapid growth of the gambling industry necessitated more rules and regulations for control. A Legislative act approved on March 29, 1955, effective July 1, 1955 created the State Gaming Control Board to act as the enforcement and investigative unit of the Tax Commission, and inaugurated a policy designed to eliminate the participation of undesirable elements in Nevada's gambling industry.

The State Gaming Control Board is primarily empowered to investigate the qualifications of each license applicant and has the authority to inspect and examine the gaming premises as well as all equipment and supplies; and demand access to and inspect, examine and audit all papers, books and records of applicants and licensees. The Board, the Nevada Tax Commission, and their agents, inspectors, and employees are vested with the powers of a peace officer of the State of Nevada for the administration of the rules and regulations of the industry.

Despite the increased authority and powers given to the Tax Commission and the Gaming Control Board, the industry became more and more subject to pressures from within as well as without as revenues from gambling added considerable wealth to the state. In consideration of problems related to the industry, Governor Grant Sawyer requested the 1959 legislature for a complete overhaul of the gaming control machinery. The Legislature's response was the passing of the Nevada Gaming Control Act, March 30, 1959, which removed the Tax Commission from its role in gaming, and in its place established the Nevada Gaming Commission, making the State Gaming Control Board its audit, investigative and administrative adjunct.