

Assembly

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE, 54TH SESSION

Meeting was called to order by Chairman Norman Glaser at 2:15 P.M. March 14, 1967 in Ways and Means Committee Room.

Present: Mello, Glaser, Bowler, Ashworth, Harris, Howard, Young, Tyson, Jacobsen.

Also - Bob Bruce; Howard Barrett, Paul Tutino (Budget Office)

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Stanley P. Jones, Labor Commissioner, was asked to present his budget requests. He discussed the need for a part-time deputy labor commissioner in the northern part of the state and said the office of Labor Commissioner last year processed over 6,000 labor claims filed through the office in Carson City. He showed the committee a typical labor claim folder, demonstrating its thickness to show how much correspondence is necessary for each claim. They are not able to carry their work load with present help he said. He read a prepared statement prior to giving a presentation of two main problems - Operating detail - printing and need for two filing cabinets. Reprinting of booklets, which are needed very badly. They had requested \$2,000 which was cut to \$1,000 for 67-68. The State Printing Office bid in excess of \$1700 for the job. Discussion of drastic need for two filing cabinets. Investigator -- He said more than 3,000 employers in the culinary field should be visited periodically by an investigator. Wages and hours laws must also be enforced, particularly where women are concerned, as there are numerous complaints regarding situations where they are not allowed coffee breaks or full lunch hours.

Chairman Glaser asked if they were aware that on travel, where they were asking for \$10,000 it was cut to \$5,000. Mr. Barrett said the Agency's requests here were not those of Mr. Jones, but of the former Labor Commissioner.

Mr. Harris out, 2:26 - Bowler, out 2:30.

Page 317 - Gaming Commission & Control Board - Edward E. Bowers, Executive Secretary, Nevada Gaming Commission; Frank Johnson, Assistant Executive Secretary; Alan Abner, Chairman, Gaming Control Board; Commissioner Henry Berrum present to discuss their budget.

Discussion of SB 79 - Advance license fee. Has been passed and signed.

SB 349 - Additional increase of 6 auditors - will require annual audits - initial cost of devising forms, etc.

Harris back, 2:35

Page 318 - Mr. Bowers presented. First item concerns Gaming Commission Administrator. Agency originally asked for six new positions. The new commission will refer back to the Board to conduct its investigative requirements. Salary request, addition of one tax administrator. He said this session will see some changes in gaming taxes that will require re-adoption of forms.

Page 319 - Salary detail, payroll costs. Agents' figures perhaps misleading. would request that that figure be adjusted to \$51,408 the first year, \$54,000 the second year. Chairman Glaser asked if he would actually work out in the field. Mr. Abner said, "yes." Discussed Lybrand study in relation to audit program, they recommended having a good one. He read from the report. SB 79 requires 12 auditors, then 6, would be 18 to do job that Lybrand recommends.

Mr. Barrett said - asking for 18 beyond the 6 a year.

Discussion of advance license fee. Approximately 160 additional audits will be needed to cover such things as termination of operations and changes of ownership. Mr. Bowers said 179 places went out of business or changed ownership last year. He said he had sent the Governor a 4 page letter pointing out administrative problems.

On SB 79, an advance license fee is payable after each business has completed its first full quarter year of operation. Discussion of Mr. Terrell's figures. Revenues increased about \$72,000 last year. Mr. Glaser said it sounded as if SB 79 was a good deal at first. Mr. Ashworth asked if they had any statistics as to money picked up as a result of the audit program. No direct answer.

SB 349 - would require an audit at least annually. Mr. Glaser asked if there are any standardized forms or reports that would streamline the auditing process. Mr. Bowers said with Lybrand, some improvement would be made in the field of audit, some standardization and new concepts are needed in the field of auditing. New agents and new personnel; would have blanket requirement of supplying facilities for them to do work in.

Postage and Freight.

He wants an additional \$500 in the first year and \$1,000 the 2nd year. For year ended June 30, 1966 would like to raise 67-68 to \$4,000, 68-69 \$4500.

Operating category - printing operation. He asked for an additional \$2,000 in the first year and \$2500 in the second; increase to \$8,000 the first year, \$8500 the second.

Subscriptions and reference manuals. Frank Johnson discussed. He said the subscriptions are almost entirely for newspapers in this country and others, these are clipped and used by the investigators. More are needed than they are getting and money in the budget is for less than they're getting. This is a very vital part of investigative file. It helps keep track of people not wanted here also. He asked that the Agency request of \$4,000 each year be retained.

Equipment Rental - Some error in Agency request here. Xerox machine and bookkeeping machine in commission office. Present requirements are \$11,600 annually. Mr. Abner said out-of-state investigations conducted by Gaming Control Board concerning suitability of applicants are costly, requested \$65,000; goes back to general fund - requesting \$100,000 in lieu of the \$25,000 recommended by the Governor. Mr. Allen said they get a refund - make the expenditure from their office, then client is billed. If it isn't refunded, must come out of budget. Mr. Bowers said investigative fees are paid by the applicant. Monies are deposited into the general fund. Out-of-state investigation is paid for by applicant. In-State is \$250.00 for investigation. In distant state, such as Florida, will farm investigation out to an

investigator there. When he completes the report, he submits a bill along with the report. When his money comes in, it goes to General Fund.

Frank Young came into the meeting at 3:03.

Mr. Barrett said they are looking to see how money gets into the general Fund. In main chart it is included in gaming taxes. He said there is a breakdown on Page A-5. Mr. Barrett said he talked with the new board after the budget was finalized. They could take this investigation money out of the General Fund revenue estimate and put it over into the gaming budget as "anticipated receipts." If they got 100,000, they could spend \$100,000.

Public information. Frank Johnson spoke. He said the booklet on gaming had not been revised since 1962 and is now entirely out of date. They receive from 12 to 25 requests a week for information on gaming from agencies, individuals in other states and from in Nevada. He said he personally was not sure the figure of \$3,00 is not a little high, but they need close to it.

Mr. Abner discussed Page 321. Scientific and technical equipment. Originally \$25,000. Electronic games and devices necessitate this money, as they are becoming a very important part of slot machines and gaming. Electronic experts are required to run them. In order to do adequate testing of existing devices and research on proposed devices, testing equipment is also necessary. Electronic monitoring devices, TV, etc. to be used in counting rooms to make "skimming" a very difficult thing. These things are immediate requirements. Mr. Young asked how they know the electronic games are straight and Mr. Abner said they know more now than they did a month ago. He mentioned one company which was penalized. He said companies have sent their prospectus, some want as high as \$60,000 for this type of work, others \$5,000, he hopes perhaps to get it done for nothing, as one such offer was made. He needs basic equipment, \$5,000 this year, \$5,000 next.

Discussion of duties of gaming commission, whether it is a policing making body. Mr. Abner said it is a five man board, in the position of hearing appeals and with physical problem of collecting the tax. He mentioned three major duties - 1. To enforce the law 2. Investigation requirement to investigate suitability of applicants and any research necessary. 3. To hold up until the report is made to the Commissioner. Mr. Bowers said they are also responsible for sitting as a quasi-judicial group to handle claims against operators ; claims by State Gaming Control Board. Mr. Berrum said electronics was the main thing in gaming now, he felt we should get in on it early. Gaming group left at 3:14. Five minute recess called.

Meeting resumed at 3:27. Mr. Ashworth and Mr. Glaser dictated a letter to the Secretary directed to Ed Bowers asking him to apprise the Committee of the amount of money recovered from their audit program as it existed in the last two years.

All members present except Mr. Mello.

Mr. Bowler announced that the Ways and Means Committee Red Carpet party would be March 29, inasmuch as they missed the general party because of their trip to Las Vegas.

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Assemblyman Woodrow Wilson passed a memo in regard to Civil Rights and appeared to discuss his needs and SB 273. Frank Young also appeared with him. They went over the memo and breakdown contained therein. Group left at 3:30 P.M. Discussion of travel from Las Vegas. Mr. Barrett explained that the Executive Secretary gets 15.00 per day expenses plus his plane ticket, also transportation from Reno to Carson City. Discussion of supplementals. Mr. Barrett said the reason there are so many supplementals now is because of the transition. They would probably have been in the budget if someone had talked to his office during the time the budget was being prepared. The ones in now knew they were going to be out, so they weren't interested and the ones in didn't know the ropes. He said he was sure they would have been in the budget as recommended by the Governor.

SB 273 - Ashworth moved approve, "Do Pass," seconded by Bowler. Motion carried. Mr. Ashworth requested a copy of the minutes.

SB 77 - Chairman Glaser said the Committee had tabled it once and the Supreme Court asked for a hearing, which was given, and at which the Court was represented by Bob Davenport. Mr. Jacobsen moved for reconsideration of SB 77, seconded by Mr. Bowler. Opposed by Young and Harris. Failing to receive the necessary 6 votes, the motion failed.

Discussion of their \$1,000 for telephones. Mr. Jacobsen said he had checked and felt it was justified. (page 66). Page 67 - Mr. Barrett said when they put money in Operating this year, they put in less than they actually had spent last year.

AB 6 - When he was contacted, the Dean of the School of Agriculture had felt that one man could be eliminated, but that most of the operation money would be needed. Broken down, this would mean \$11,000 for the man and \$15,000 for operation, or a total of \$26,000 per year instead of \$39,000. This from Mrs. Tyson's report. Discussion as to whether or not, if this proposed division of the budget comes about in the University's budget, will it have any effect on the money going to this particular department? Mrs. Tyson said she felt it should not be cut too much, as the Senate would probably cut it. Mr. Glaser said the second year they would have to add a little more because the man would be entitled to a salary increase.

AB 6 - Howard moved "do pass" and amend, seconded by Harris..\$26,000 first year, \$26,500 the second year. Motion carried. Mr. Glaser said he would take it

AB 139 - Bode Howard discussed, conflict with SB 153 - National Guard. He said he had discussed it and the committees would like to bring a bill out, pass it and let the National Guard people live with it for two years. Any amendments put in now might have a drastic effect on operation of the bill. Only major change, Adjutant General's salary, will have to work it out with the Senate anyway.

Harris moved "do pass," Bowler 2nd, motion carried - AB 139.

AB 162 - Mr. Young got amendment, his amendment amended out the conflict. Mr. Jacobsen moved "amend and do pass." Seconded by Ashworth. Motion carried.

AB 367 - puts employees at State Museum in classified service - introduced by Mr. Jacobsen - discussion of amendment. He said it would mean an increase, not this year but next.

Mr. McDonald came in at 4:00 P.M. to discuss conflict with AB 139 & SB 153. Have approved the bill out. ¹³⁹ Committee in agreement with plan. He said there was some statutory salary set in it. Mr. McDonald said all that has to be done is amend by saying he shall receive such salary "as provided by law."

Ashworth moved "do pass" on AB 367. Jacobsen seconded. Motion carried.

State Archivist in conflict with AB 50 - specific location of Archives.

AB 344 - Ashworth moved, Bowler 2nd, "do pass", amend. Motion carried.

Mr. Jacobsen mentioned Judge Guild's having come in and discussed classified & unclassified - purpose of whole thing to enable employes to have retirement benefits, etc. Mr. Barrett said they couldn't be under classified service when they are not state employees. Mr. Barrett said they are not receiving state monies. Decided to hold. Mr. Jacobsen to talk to Judge Guild again and see what his intent really is.

AB 388 - Allows Welfare Division to transfer money . Mr. Young moved indefinite postponement. Ashworth 2nd. Motion carried.

Press in - 4:18.

AB 400 - homemaking service of Welfare Division running out of money. Ashworth moved "do pass." Tyson seconded. Motion carried.

Mrs. Tyson moved meeting be adjourned. Mr. Jacobsen seconded. Motion carried. Meeting adjourned at 4:23.

Norman D. Glaser, Chairman

Agnes M. Nelson, Committee Stenographer