

Senate
JUDICIARY COMMITTEE

MINUTES OF MEETING HELD
MARCH 15, 1967

A meeting of the Judiciary Committee was held at 2:25 P.M., Wednesday, March 15, 1967, in Committee Room 56, State Capitol, Chairman Monroe presiding.

Members Present: Warren L. Monroe, Chairman
V. L. Bunker
M. J. Christensen
Carl F. Dodge
Coe Swobe
C. Clifton Young

Members Absent: Procter R. Hug (excused)

Others Present: Roger Jeppson, Woodburn, Foreman, et.al.
Ted Nigro, Security National Bank
L. J. McGee, First National Bank of Nevada
Phil Cummings, Public Administrator, Clark Co.
Wallie Warren, Public Relations
Don Winn, Attorney General's Office
Henry Berrum, Gaming Commission
Alan Abner, Chairman, Gaming Control Board
Frank Johnson, Public Relations, Gaming Control
Senator Fisher

Chairman Monroe announced that he had received a request from Phil Cummings, Public Administrator in Clark County, to hold A.B. 339 until he had an opportunity to appear.

A.B. 339 "Provides that residence of nominator does not affect priority of person nominated to receive letters of administration."

Chairman Monroe invited Mr. Cummings to address the Committee. Mr. Cummings thanked the Chairman and said that he was sorry to have caused this trouble but that he did not realize the Bill had even been introduced. He stated that he was against the Bill as it would virtually eliminate the job of Administrator, and further, that he thought the Probate Court would lose entire control "if anybody can designate anybody." He said that they have a situation in Clark County where there are a lot of common law marriages which have no legal status, but when one party expires the survivor gets in touch with the deceased's family, perhaps in the East, and they might nominate one of these people -- this would be a bad situation. Valuables come into the administrator's possession, he said that he had three diamond rings which are not paid for and will be returned to the person from whom they were purchased, and this would not happen if anyone can handle it. He said that he thought he knew who agitated for this legislation through their advertising which in large expensive ads let people know they want to handle their wills and so forth. He also stated that he wished to call attention to the fact that this will conflict with California law, and also with the Supreme Court decision of July 3rd. Of course, Mr. Cummings stated, most of the people we handle are "little people" but they are important to the merchants to whom they owe money.

He said, "we handle approximately 15 persons a month without funds except maybe a little Social Security, and we save the County the cost of burying these people." Senator Dodge said, are you inferring that these bills would not be paid, to which Mr. Cummings replied: "yes, the individuals sell the assets. Chairman Monroe asked, in cases of estates where the person is nominated by the Court don't they have to answer to the Court. Mr. Cummings replied, not necessarily, they are not bonded, they can administer the estate or even leave the State. He also said, they don't receive any money but we can make some by taking care of estates for non-residents. Senator Swobe commented that this Bill doesn't prevent Public Administrators from being appointed. Senator Dodge stated that if there is a Will the person can provide for an executor and maybe the heirs are in New York and we don't have much of a problem with handling this type of estate, just because there is no Will the same heirs are sitting back in New York and they are still the parties of interest, and their desires -- they don't want the Public Administrator to handle it, or perhaps they want the bank, or an attorney, or a family friend appointed -- you say that you don't think this is fair, what is fair to these people who have an interest? Mr. Cummings replied, on the Wills it is none of our business but our contention is if the Bank wants those estates where there are fees available let them take the others too. Mr. Cummings also objected to the fact that the Bill be passed as an emergency measure and said that we have been operating under the present law for years and years and so had other States so there wasn't any emergency.

Mr. L. J. McGee addressed the Committee and stated, that he would like to clarify the situation relative to the sponsors of the proposed legislation -- it is sponsored by the Nevada Bankers Association to which all the leading banking houses in the State belong, and, they have given me the authority to represent the Trust Departments of the members of the Association. He said, it was their feeling that as the law exists in this State, if a relative that lives in this State wants to nominate he can do so, but if the relative lives out of State or Country isn't it even more important that they have the opportunity to nominate a person in whom they have confidence. He continued, we feel this is a good law, we feel the present situation is unfair to beneficiaries that live away from the State, and they may feel that they have to hire an attorney to protect their interests.

Mr. Jeppson addressed the Committee and stated that the only way the provisions in this Bill could become operative is if the beneficiary says: "I don't want the Public Administrator."

Senator Swobe added that not only if he doesn't want the Public Administrator, it will allow the person closest to the estate to have a say as to who will administer the estate. Senator Monroe said, the statement that Mr. Cummings made about an administrator being able to dispose of the assets -- can that be true? Mr. Jeppson replied, that he couldn't see how. Senator Swobe added that a bond would be required and they would have to petition the

Court. Senator Monroe commented then the person would have to be acceptable to the Court. Mr. Cummings stated that the person after he was appointed couldn't do it, but before he could take the assets.

Messrs. Jeppson, Nigro, McGee, Cummings and Warren left the meeting at this time.

Messrs. Winn, Berrum, Abner and Johnson entered the meeting at this time.

Chairman Monroe instructed all persons present that the Gaming Control Board representatives would be asked to divulge confidential information and that such information be held in confidence and go no further than this meeting room.

S.B. 355 "Provides additional regulations for licensees of gaming and gaming establishments and gives gaming control board and gaming commission additional powers."

Chairman Monroe stated that this Bill would impose fines for cheating rather than revocation of license. He then invited Mr. Winn to address the Committee. Mr. Winn stated that he wished to make it plain that he was not speaking for the Board as they have never completely discussed the matter, but, that it was the consensus of himself and Ed Olson, the former Chairman of the Control Board, that they would have to come to the legislature for some type of intermediary control. He said that they had trouble in the other areas of minors playing slot machines in addition to the cheating problem. He said that he could not recall a single instance of being asked to prosecute a case of cheating at 21, when we have called in a big club we have warned them and let them go. He stated that he had personally observed that when there is physical evidence such as tampered dice or altered 21-machines something can be done, but, nothing has been done about cheating at 21. The reasons is that the evidence depends on getting men experienced in the game and have them observe the games but the "moves" are so fast that he personally could not see them -- they have also tried photographing them but that was not successful either, and, if the "cheater" is prosecuted the Board loses two good undercover investigators. They have a difficulty in obtaining proof but with the fining provision they could better the situation. Senator Monroe asked if he thought people would admit it then, to which Mr. Winn replied, yes they would. Mr. Winn continued, "I have wanted to prosecute some but after one of these cases you lose two agents." Senator Dodge asked how prevalent cheating was. Mr. Winn replied that he did not know, that they did not bring all these cases to him. Senator Dodge queried further, is it substantial? Mr. Abner stated that they received very few complaints and those mostly from the little one table rooms, or maybe two or three table clubs, and it generally happens when they are in financial trouble. Senator Monroe asked if there were any cases where big casinos are suspected of cheating. Mr. Winn replied that he did not know of any, that to be honest he hadn't heard of any of these cases. Mr. Abner was asked if his

his office documented these cases, to which he replied, yes we have records of all the complaints and our enforcement people investigate and refer it to the casino operators. Senator Monroe asked, do your people file reports, to which Mr. Abner replied yes. Senator Monroe asked Mr. Winn, do you have records? Mr. Winn replied, yes, and we have a system for flagging so if it recurs we can look at it more closely. Senator Dodge asked, you mentioned other violations, what are they? Mr. Winn replied, minors playing slot machines, failure of gaming licensee to report loans on time, follow the requirements we have now for reporting. He continued, during the investigation for skimming we found that casinos were disregarding our instructions; for example, the Freemont Hotel was totally ignoring our regulations and nothing happened. He also mentioned that some people thought the fines were too high. Senator Dodge queried, that is just top limit isn't it, to which Mr. Winn replied, yes that's right. Senator Dodge commented, then why is there any concern on these upper limits this doesn't say we must impose them. Mr. Winn replied that the comment is that you should have the power to levy \$1,000. fine and perhaps it should be higher than this but you still might not want to close them down. Senator Bunker asked, isn't it possible for a dealer to cheat without the owner knowing it, it looks a little harsh to close him down and make him suffer for something his employee did without his knowledge? Senator Monroe added, why would they do it? Mr. Winn replied that most owners watch the percentage, on a 21 game it should be between 22 and 25% of what goes into the box, and they will immediately fire a dealer if it falls below, so the dealer keeps track mentally and if it falls below he will cheat on his own. Senator Dodge asked if they had documented a situation where the enforcement officers knew this was done without the knowledge of the owner and they did not want to take the extreme action against the owner. Mr. Abner replied, yes, I think it would be possible and we have the records. Mr. Johnson said, the Christmas Tree would be a good example. Senator Dodge said, no, you closed them down. Mr. Absner stated that they have records showing that they have been brought in and talked to them without closing them down. Senator Dodge commented, what we have now is all or nothing. Mr. Winn stated that they have another problem that they will claim that they are put in from the outside and I have been a little reluctant to take the management word for it, when they picked up the dice in Tulsa they had dice that would go against every possible number, I think the pit boss has a responsibility here. Senator Dodge asked Mr. Abner if he supported this legislation, to which Mr. Abner replied that he did. Senator Monroe asked, what about a second offense? Mr. Abner replied that this situation had been discussed and that he would certainly entertain favorably the policy of imposing a fine for the first offense, then if there was a second offense use the power of suspension. Senator Monroe commented that he was concerned about so much cheating going on with nothing being done about it. Senator Dodge stated that if we give them this immediate recourse we can see what will happen over the next few years. Senator Bunker asked what would be done about the dealer. Mr. Abner replied that they haven't been too tough about it but

they intend to be in the future, their work card will be revoked. Chairman Monroe asked if that shouldn't be mandatory. Mr. Winn replied that they have the power to blacklist a dishonest dealer but have never used it. He said that he was a little reluctant to use it because they have no standards at all and he had wondered about it being constitutional, however, he would like to see it made mandatory that he could no longer work in Nevada. Mr. Winn also said that he had been told that sometimes industry has them cheat but if every man with a work card knew that if he lost it he would never be able to work again it would be quite a curb. Senator Young commented that for one occasion it seemed a little harsh. Senator Bunker commented that they don't cheat by accident. Chairman Monroe stated that it should be a mandatory revocation of work card for a man caught cheating -- "We cannot tolerate any form of cheating!" Senator Dodge referred to Section 34 on having to do with arrests. Mr. Winn said it was copied from the powers of the Tax Commission already has but when the Bill was copied they left them out of the Gaming Commission. Senator Dodge asked what about the last few. Mr. Winn stated that Section 38 had to do with the "black book", that it tightened up the regulations and makes it a crime for the blacklisted persons to come in -- it is patterned after the California Anti-Tout Act. The constitutionality of blacklisting was brought up, and Senator Dodge said that the problem is that there is no such thing as complete enforcement -- don't you think you have to go ahead and wait until someone knocks it down. Senator Young concurred. Senator Dodge said that he believed that we needed to improve our image by showing that we are doing everything within our lawful means, so he is not going to question anything in the Bill. Senator Young asked Mr. Winn if he had researched this. Mr. Winn said, yes, I have done the best I can, it cost the State \$35,000. to win the Marshal case -- I believe the Supreme Court will sustain almost anything. Senator Monroe referred to Page 8, Subsection 9. Mr. Winn said that he had been working on this legislation for a year and a half, hoping that he would get a hearing. Some lawyers think I can't do what it says on page 6, but I think that if you approve this Bill, I think I can make it stick, I think we can tell a man "you cannot come on the premises even if you own the land". Senator Dodge asked if they were familiar with the import of all these decisions, have they been gone over by the Commission and the Control Board. Mr. Abner replied, yes, by representatives of the present Commission and Control Board. Chairman Monroe asked Senator Dodge if the fines covered the things that he had talked about. Senator Dodge replied that they did, the book is full of violations but they don't have any intermediate actions, so even if the Committee would not want to extend the authority on cheating they need it for other things. There was a brief discussion of the problem of controlling minors gambling. Senator Young asked, certain things are spelled out as being crimes, then the Gaming Commission has the power to enact regulations. Mr. Winn replied that he did not have the power to do anything about crimes at all, if the District Attorney doesn't want to prosecute there is nothing he can do about it. Mr. Winn asked the Committee if they would introduce a Bill to eliminate another problem they have with Nevada manufacturers and distributors

selling illegal gaming devices in other States and when they are arrested it looks bad for Nevada, this Bill would make it a crime to manufacture them. It was unanimously agreed by the Committee to introduce the Bill.

The Committee agreed to have the following amendments prepared for S.B. 355:

1. Work card revocation mandatory if convicted of cheating.
2. Amend page 6, fining provisions, that if they are fined once the second conviction is mandatory revocation of license.

S.B. 350

"Provides penalty for operating vehicle while operator's license is canceled."

Mr. Daykins explained why the word "canceled" was used instead of "revoked" which the Committee had asked him to investigate. He said that the reason "cancelled" was used in this Bill is because it conforms with the language in three other sections. He also said the difference in usages is that under Section 420 a license that is incorrectly issued is cancelled, and, under Section 320 when a minor applies for a license a responsible adult must sign for him and if the adult dies the minor's license is cancelled.

Disposition: ON MOTION of Senator Swobe, seconded by Senator Dodge, it was unanimously agreed to "Do Pass S.B. 350."

S.B. 355

Summary set forth on page 3 of these minutes.

Disposition: ON MOTION of Senator Dodge, seconded by Senator Christensen, it was unanimously agreed to "Amend and Do Pass as Amended S.B. 355."

S.B. 58

"Extends time within which notice of right to claim mechanic's lien must be given."

Chairman Monroe read the amendments that had been requested.

Disposition: ON MOTION of Senator Dodge, seconded by Senator Swobe, it was unanimously agreed to "Do Pass as Amended S.B. 58."

S.B. 163

"Provides construction standards for mobile homes and travel trailers"

Senator Dodge commented that he had discussed this Bill with several members of the Finance Committee and told them that the Bill would raise about \$12,000. annually and would help defray the cost of the additional staff, and he recommended that the Bill be re-referred to Finance. Senator Swobe read the amendment necessary to make the standards referred to in the Bill read "American Standards Institute."

Disposition: ON MOTION of Senator Young, seconded by Senator Dodge, it was unanimously agreed to "Do Pass as Amended S.B. 163, and re-refer to Finance Committee."

S.B. 401 "Transmutes certain community property and joint tenancies into tenancies in common."

Senator Swobe stated that he had pulled the Bill off the Board; that he had an amendment.

A.B. 148 "Requires Public Service Commission to issue cease and desist order when a public utility violates or allows violation of wiretapping laws."

Disposition: ON MOTION of Senator Dodge, seconded by Senator Christensen, it was unanimously agreed to "Hold A.B. 148."

Chairman Monroe advised that Mel Close had asked that the Committee consider A.B. 176 and A.B. 179.

A.B. 176 "Allows parties to stipulate to release of attachment."

Disposition: ON MOTION of Senator Swobe, seconded by Senator Dodge, it was unanimously agreed to "Do Pass A.B. 176."

A.B. 179 "Requires annual accounting by nontestamentary trustees."

Chairman Monroe stated that the effect of this Bill is to permit the setting up of a trusteeship without filing notice in the Clerk's office -- if he sets up a trusteeship it is his own private business and there is no reason in the world why he should have to file it as a public record but it does require that he make an annual report to the beneficiary. Senator Dodge stated that he would like more information on this as there could be other types of trusts involved.

Disposition: Held Over.

The meeting was adjourned.