

## SENATE TAXATION COMMITTEE

Minutes of Meeting Held  
March 13, 1967

The 12th meeting of the Senate Committee on Taxation was called to order at 4:20 p.m., Monday, March 13, 1967, in Committee Room 50, State Capitol, by Chairman Gibson.

All committee members were present except Senator Slattery, who was confined to a hospital in Reno.

The Chairman announced that consideration would be given to planning the committee's approach to the following three bills on casino entertainment tax.

S.B. 390: Exempts certain small gaming establishments from casino entertainment tax. Introduced by Senators Herr, Swobe, Fisher, Slattery, Titlow, Hecht, Lamb, Brown and Alleman.

This bill replaces S.B. 162. It would exempt from the casino entertainment tax, establishments licensed for not more than 25 slot machines, not more than two table games, or any combination of slot machines and table games within such respective limits. The Chairman pointed out that the bill also deleted the language taking into account the imposition of a cabaret tax by the federal government. Discussion followed.

DISPOSITION: Senator Dodge moved that S.B. 390 be amended to exempt establishments with not more than 50 slot machines, not more than three table games, and reported out of committee with a "do pass" recommendation. Senator Brown seconded. The motion passed unanimously.

S.B. 134: Repeals casino entertainment tax. Introduced by Senator Bailey.

DISPOSITION: Senator Dodge moved that the bill be killed; Senator Farr seconded. The motion passed unanimously.

S.B. 162: Exempts employer of 3 or fewer musicians from cabaret tax. Introduced by Senators Herr, Swobe, Alleman, Lamb, Fisher, Slattery, Titlow, Hecht and Brown.

DISPOSITION: Senator Swobe moved that the bill be killed. Senator Brown seconded the motion. It passed unanimously.

The Chairman asked Senator Swobe if he had the amendments yet for S.B. 29 (stamp tax on real property transfers). Senator Swobe said he had instructed that these be delivered to the Chairman when ready.

The Chairman stated that a group of small casino operators had asked Cliff Young to request an opportunity to be heard regarding Senate Bills 97 and 138 (re gaming license fees based on gross revenue). Cliff Young entered the meeting at 4:36 p.m. at the request of the Chairman and stated that Mr. Oliver Kahle of Reno spoke to him on behalf of the Commercial Hotel, Nevada Hotel, and others. Mr. Kahle said he wanted to be sure that the plight of these small operators is called to the attention of the committee. The Chairman asked Senator Young to contact these people and tell them the committee would like to have them come in at 4:00 p.m. on Wednesday, March 15. Senator Young left the meeting at 4:38 p.m. to phone interested persons concerning the meeting. (Senator Young re-entered the meeting at 4:48 p.m. to report he had learned the snowstorm in progress, which is predicted to continue through Tuesday, March 14, may prevent some of the interested persons from attending a Wednesday meeting of the committee. However, he said he would check further. He left the meeting at 4:55 p.m.)

Discussion centered next on figures which Ed Bowers of the Gaming Commission had provided relative to projected slot machine tax revenues and which appeared to Senators Dodge and Gibson to be inconsistent with gross gaming income figures.

The Chairman stated the committee could not do much about the sales tax bills yet, that he was awaiting word from Attorney General Harvey Dickerson, who had said he would have something for the committee early this week. Senator Gibson said the Attorney General had told him the opinions which were forthcoming from him had not been requested by any person or group; i.e., they are being volunteered to the committee by the Attorney General.

Consideration was then given to:

S.B. 231: Requires filing of official plats of local governments with county recorder, assessor and Nevada Tax Commission. Introduced by this committee.

Senator Dodge said he had discussed with Ernie Newton of the Tax Commission the committee's question as to whether the cost of reproduction of plats would place a burden on counties. Mr. Newton told him the cost involved in the process used in doing this work was negligible and that the Commission would pay such

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costs. Accordingly, to remove any contention of an increased cost burden, Senator Dodge suggested that the committee amend the bill to provide that if plat reproductions are requested on the authority of the Nevada Tax Commission, the Nevada Tax Commission shall reimburse the county for the cost of reproduction.

DISPOSITION: Senator Swobe moved that the bill be amended (as suggested by Senator Dodge) and reported out with a "do pass" recommendation. Senator Fisher seconded the motion; it passed unanimously.

The Chairman asked Senator Dodge to get the amendment taken care of.

The Chairman stated the committee would discuss S.B. 349 (providing for tighter financial control of gaming operations) further with Ed Bowers; that it was the Chairman's understanding that refinements are needed in the bill.

S.B. 360: Permits payment of delinquent property taxes up to time of sale; makes statute retrospective concerning reconveyance of lands formerly conveyed to county. Introduced by Senator Swobe.

Senator Swobe explained the reason for the date of April 1, 1957, which appears on line 15 of page 1. He said that at the last session a bill was passed to allow a person to redeem property that had been taken by the county for nonpayment of taxes. Then last year a court decision on a case in Las Vegas stated that any property that was vested in the county prior to April 1, 1957, would not be subject to redemption, as was intended by the bill.

S.B. 360 clarifies this to state that redemption may be accomplished regardless of whether title vested in the county either before or after that date. Discussion then turned on how counties could acquire title to delinquent property for a public use, such as parks or cemeteries.

DISPOSITION: The Chairman suggested that Senator Swobe study this bill further and report back to the committee.

Mr. Ed Bowers entered the meeting at 5:00 p.m. Senator Dodge asked him about the apparent discrepancy in the figures on slot machine tax revenue. Mr. Bowers explained that this was a more equitable approach on the capacity tax alone, without relation to a percentage tax or any other taxing method. He stated that

weight must be given to geographic location, size of casino, and ration between games and slot machines in the south versus the north, in order for a capacity tax to be equitable. After further discussion, it was decided that the committee was in agreement that there should be restricted licenses and that these should be taken out of the gross percentage tax entirely and placed on a flat rate. It was further agreed that Mr. Bowers should now just work with the nonrestricted category and plot how to raise \$4.7 million from that category; further that the income from the devices should be related to what the devices earn in the industry; i.e., if slot machines produce one-third of the revenue, then let slot machines have that same relationship in the proposed figures. Mr. Bowers said it would take a couple of days to work up the requested figures on a capacity tax.

The Chairman requested Mr. Bowers to come over at 4:00 p.m. Tuesday, March 14, to discuss bills other than the capacity tax matter. He also stated to the committee that this would be the next meeting date for the committee.

The meeting adjourned at 5:28 p.m.

Respectfully submitted,

  
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Louise Glover - Secretary

I certify that the foregoing minutes are correct.

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Senator James I. Gibson  
Chairman