

## Senate

## COMMITTEE ON FEDERAL, STATE AND LOCAL GOVERNMENTS

Minutes of Meeting -- February 18, 1969

The twelfth meeting of the Committee on Federal, State and Local Governments met on the 18th day of February, 1969 at 3:00 P.M.

Committee members present:

	James Gibson, Chairman
	Carl F. Dodge
	Chic Hecht
	F. W. Farr
	Vernon Bunker
	Warren Monroe
	Marvin L. White

Others present were:

Hershel Trumbo	Las Vegas Downs, Inc.
Eddie A. Reed	
E. S. Schick	
J. Fred Gagnon	
Sam Cohen	
Robert H. Clark	Veterinary, Nevada State Racing Commission
Carl Price	
O. C. LeBoutillier	
C. G. Munson	Director, Gaming Industry Association
Will Eber	Intern for Senator Swobe
Dean Essex	
W. R. Hampton	Mayor of Henderson
Sam A. Boyd	Henderson
Ray Edmonds	North Las Vegas
Roy A. Pitchford	Henderson
John Gianoti	Harrah's
Jerry Higgins	Sparks Nugget
Clay Lynch	City Manager, North Las Vegas
Paul Richards	Attorney for Reno Race Park Gaming
Frank Daykin	Legislative Counsel Bureau
Ray Knisley	Rancher
Tim Hafen	Assemblyman
Mahlon Brown	Senator
Proctor Hug	Senator

Press representatives

Chairman Gibson called the meeting to order. The first bill to be considered was as follows:

SB-140 Proposed by Committee on Federal, State and Local Governments. Implements Nevada racing commission's multiple racing program by authorizing greyhound racing on tracts holding a minimum of 25 days of horse racing each 90-day period.

Mr. Hershel Trumbo, representing Las Vegas Downs, Inc., introduced those present at the meeting who were interested in this legislation, and spoke briefly on the background of their organization. He stated that the main purpose of their organization was to bring racing to the State of Nevada, and that the more they had researched the more they discovered that the greyhounds would be beneficial to their operation. For example, it will keep them operating on a year-round basis and could benefit in years to come in competition with Arizona and Colorado. He pointed out that in Arizona today greyhound racing contributes more than twice what horse racing does.

Mr. Ray Edmonds spoke at this point, stating that he had been retained by Las Vegas Downs to design a race track at Henderson. He emphasized that in horse racing you have a very limited number of days when the track is in use, and that by adding greyhounds in the summer time it will add to the year-round maintenance of this track, and will help defray some of the expense so both of them can be on a high par.

Chairman Gibson requested that Mr. Richards, attorney from Reno, give them a background explanation of this bill. Mr. Richards stated that he had been authorized by the Nevada State Racing Commission to indicate their wholehearted approval of this multiple-racing bill -- the Commission, through interested individuals in the State of Nevada have worked on this particular bill for almost two years. The reasoning behind the Commission in presenting this particular piece of legislation is that in the State of Nevada it is almost impossible and economically unfeasible to operate a large race track. The areas in which a track may operate are limited to the county fair racing such as they have in Elko, Ely and now Winnemucca, but to build a large plant and the facilities that are necessary for major racing there was an economic loss in Las Vegas. To offset the situation the Commissioners felt that the multiple-racing bill would be a boon to the horsemen of the State of Nevada, in that a track could be built and economically operated for the benefit of the operators as well as the State of Nevada.

Mr. Richards pointed out that with regard to the agricultural districts the Act as amended in 1965-67 put a situation where the agricultural districts were exempted from paying any percentage to the State Racing Commission and under the Act itself, they could not receive a return from the State Racing Commission -- this particular bill corrects that. The Commission keeps one per cent, the State receives three per cent on the horses and four per cent on the greyhounds. The one per cent is retained by the Racing Commission to pay for the operation of and overseeing of the races, and the general overhead that they have to handle. However, on July 1 of each year any monies in excess of \$10,000 are turned over to the agricultural district that have been paid in to the Racing Commission -- this benefits the agricultural areas of the State of Nevada. This bill changes the amount received by the State of Nevada -- three per cent on all parimutuel monies handled on horse racing and four per cent of the parimutuel monies handled on greyhound racing. In Colorado and Arizona in 1967 each state received over three million dollars from their programs, and Mr. Richards said that they could represent on surveys made two years ago that the first year in Nevada under this program at least five hundred thousand dollars of revenue will be paid by the operators to the State of Nevada.

Mr. Richards then went on to other areas of the bill. He mentioned the provision on page 6 and an amendment in regard to the conducting of pari-mutuel wagering at a track within 100 miles during the same race meet -- this was added. Also on page 5, section 12 of the bill concerning off-track betting, he explained that when a track is licensed the only betting and gambling that is allowed within the enclosure is the betting on the Win, Place, Show, Daily Double, et cetera, and this is the only gambling that is allowed -- the "off-track" betting would be like putting an extension on a telephone allowing betting to be in another area. All of these are totalized as if the betting were made on the track.

It was further explained that through the National Coursing Association all the dogs are registered -- this is done by "fingerprinting" toenails, and a card is printed for each dog by age, et cetera -- so this is a highly regulated area for the protection of the bettor, so they feel in this particular area there cannot be any objection to greyhound racing. The horsemen of this state have for many years objected to greyhound racing, and the reason was they felt it would interfere with the horse racing. Now the Nevada State Racing Commission has come up with an answer to both because in the State of Nevada there is an economic unit that will be able to support horse racing as well as a revenue unit for the State of Nevada. As far as the area of employment there are some 1500 people connected with the race track and the purse itself, there is an 18% retention by the track -- 82% back to the bettor.

Chairman Gibson then asked for Mr. Richards' interpretation of the provision on page 3, line 47, and he explained that this is for the protection of the horse racing -- the Commission felt that there has to be a guarantee of at least 25 days of horse racing in any 90-day period, so rather than this being a "dog" bill only they felt that this would protect the horse racing. Section 8, line 10 on page 4 is a provision written in conjunction with Section 6 on page 3, limiting the number of days on which racing may be conducted.

Discussion followed in regard to Section 9 on page 4 and the percentage paid to the Commission and the State in comparison to what is done in other states. The percentages presented in this bill do compare favorably with other states (Arizona, Colorado, Florida, et cetera).

Mr. Sam Cohen, a licensed bookmaker, addressed himself to the committee, stating that he was here not to protest the dog bill, but to protest the use of the words "off-track betting." He referred to Section 12, page 5, and said that he and Senator Bunker had met with Mr. McDonald and this provision was being amended. His suggestion had been that in place of "off-track betting" that the provision would read "a wager made with a bonded agent of the licensee outside the track enclosure on a race being run at the licensed race track within the State of Nevada shall be considered a wager made within the . . . ."

Senator Monroe pointed out that during the many years that he had been in the legislature dog racing had been presented many times in various proposals and there had always been a considerable stigma attached to dog racing as a result of the hearings that had been conducted -- there had always been a feeling among

the legislators that dog racing was "bad." He asked Mr. Edmonds for his comments on this. Mr. Edmonds said that dog racing started many years ago in various states -- California, Louisiana, and so forth. It had a bad reputation because of lack of control and lack of equipment to take care of them. Two years ago Life magazine published an issue on all racing conducted in the United States, and the article concluded that the most honest of all racing in the United States today was the greyhound racing. There has not been a stigma on dog racing for over 12 years -- the American Kennel Owners Association is very strong and everybody that runs or races greyhounds must abide by their rules or they can't race. Dog racing today is the "cleanest" of all racing.

The committee next heard from Mr. Munson, Director of the Gaming Industry Association, who stated that they have some serious misgivings about this. The Gaming Industry spends about \$100,000,000.00 a year to bring tourists to Nevada and this collective effort brings somewhere around 22 million people to this state. They are not convinced that greyhound racing will attract large numbers of visitors -- it is readily available in other states, and most people come to Nevada for casino gambling. Mr. Munson also asked that serious consideration be given to the tax aspects of this bill. He gave as an example the visitor who comes to this state with \$100.00 and asked whether the committee would rather see that visitor spend his money in the casinos subject to the gaming privilege tax aggregated at about 10%, and get \$10.00 out of the \$100.00 or \$3.00 from the dog track? This would create a loss on part of the tax base. Mr. Munson stated two additional questions to the committee for their consideration as follows: (1) Isn't this proposal a "corporate license for gambling" in effect; and (2) Can the Racing Commission control this effectively? He further recommended to the committee that if they were going to act favorably on this and legalize dog racing that they give serious consideration to bringing the Gaming Control Board into the act, because this should be under just as "tough" control as the casino gambling. He concluded by saying that they would like to continue the statutory prohibition against dog racing.

Mr. Richards, in partial answer to Mr. Munson, stated that this proposal comes strictly under the jurisdiction of the Nevada Racing Commission and in no way interferes with the Gaming Commission -- it is completely separate from the Gaming Commission. He felt if they were tied together you would have nothing but confusion. He added that there are a lot of horsemen in the State of Nevada who would like to see this bill passed, and that's why it was presented this way -- under the Nevada Racing Commission.

Mayor Hampton of Henderson addressed himself to the committee, stating that he had come here with the unanimous consent of their city council supporting SB-140 in essence and in general. They feel it will be of tremendous benefit to the City of Henderson.

Chairman Gibson said that the committee would take this proposal under further consideration.

AB-60 Proposed by Committee on Government Affairs.  
Ratifies California-Nevada Interstate Compact. Executive estimate of cost: For biennium 1969-1971, \$60,000 for operating expense; eventual expenditure of approximately \$100,000 for participating costs for weir construction at Lake Tahoe.

Senator Farr referred to page 1, line 38 of this bill and questioned whether or not in essence this says that California can develop additional water without the sanction of the compact. Mr. Daykin answered this question by saying that California can develop as much water as is possible without interfering with any existing Nevada beneficial use -- and that means existing at the time the development is sought to be made. Nevada has the right to participate in that development and bring into this state its proportionate share of the water so developed.

Mr. Knisley then pointed out that if they don't pass this bill, within six months California will go to court and ask for adjudication regarding the division of waters -- what we will get out of court can in no way be as good as what we have in this bill.

Senator Dodge then referred to and quoted from letters from Mr. James Johnson and from Mr. Daykin, and emphasized that they have listened to a great deal of testimony regarding this bill -- it is necessary that they place their faith somewhere and depend on those people who have worked on this for some 13 years.

Senator Dodge moved Do Pass, seconded by Senator Bunker. The vote on this motion carried, with Senator Farr voting "nay".

SB-61 Proposed by Senator Monroe.  
Amends Elko city charter.

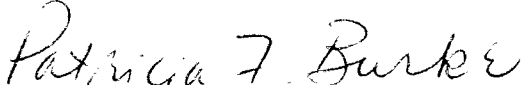
Senator Monroe moved Do Pass, seconded by Senator Bunker. Vote for passage was unanimous.

AB-157 Proposed by Mr. Webb.  
Corrects description of state seal.

Senator Hecht moved Do Pass, seconded by Senator Farr. Vote for passage was unanimous.

There being no further business, the meeting was adjourned.

Respectfully submitted,

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Patricia F. Burke,  
Committee secretary

LAS VEGAS DOWNS, INC.  
Henderson, Nevada

Projected State Revenue

<u>Year</u>	<u>State Revenue 3% Horses</u>	<u>State Revenue 4% Greyhounds</u>	<u>Total State Revenue</u>
1969	204,000	-0-	204,000
1970	444,000	96,000	540,000
1971	488,000	96,000	584,000
1972	653,400	120,000	773,400
1973	798,600	150,000	948,600
1974	878,460	187,500	1,065,960

Statistics of Interest

1. Employment	800
2. Horses to Race	1000
3. Annual Spent/Feed & Care	2,650,000.00
4. Nevada Bred Horses Increase by 1974	500%

**A. B. 60****ASSEMBLY BILL NO. 60—COMMITTEE ON GOVERNMENT  
AFFAIRS**

JANUARY 23, 1969

Referred to Committee on Government Affairs

**SUMMARY**—Ratifies California-Nevada Interstate Compact. Executive estimate of cost: For biennium 1969–1971, \$60,000 for operating expense; eventual expenditure of approximately \$100,000 for participating costs for weir construction at Lake Tahoe. (BDR 48-308)

**EXPLANATION**—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to interstate waters; ratifying and approving the California-Nevada Interstate Compact; providing for compensation, subsistence and travel expenses of Nevada members of the compact commission; requiring state officers and agencies to cooperate with the commission; repealing provisions of NRS relating to the formulation of the compact; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

1 SECTION 1. Chapter 538 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 5, inclusive, of this act.  
3 SEC. 2. *The legislature of the State of Nevada hereby ratifies and*  
4 *approves the California-Nevada Interstate Compact as signed at Reno,*  
5 *Nevada, on July 25, 1968, by the commissioners of the State of Nevada,*  
6 *acting pursuant to the authority granted by the legislature of this state,*  
7 *and the commissioners representing the State of California, and approved*  
8 *by the representatives of the United States, which compact is quoted in*  
9 *full as follows:*

**ARTICLE I. PURPOSES**

10  
11  
12  
13 *Consistent with the provisions of the authorization Acts of the State*  
14 *of California and the State of Nevada and the United States, the major*  
15 *purposes of this compact are to provide for the equitable apportionment*  
16 *of water between the two states; to promote interstate comity and to*  
17 *further intergovernmental cooperation; to protect and enhance existing*  
18 *economies; to remove causes of present and future controversies; to*  
19 *permit the orderly integrated and comprehensive development, use, con-*  
20 *servation and control of the water within the Lake Tahoe, Truckee River,*  
21 *Carson River, and Walker River Basins.*

**S. B. 61**

## SENATE BILL NO. 61--SENATOR MONROE

JANUARY 27, 1969

Referred to Committee on Federal, State and Local Governments

SUMMARY—Amends Elko city charter. (BDR S-599)

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT to amend an act entitled "An Act incorporating the City of Elko, in Elko County, Nevada, and defining the boundaries thereof, under a new charter; providing that such charter shall become effective only if the original charter is repealed; and providing other matters properly relating thereto," approved April 13, 1965, as amended.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

1 SECTION 1. Section 30 of chapter II of the charter of the City of  
2 Elko, being chapter 417, Statutes of Nevada 1965, at page 1110, as  
3 amended by chapter 526, Statutes of Nevada 1967, at page 1516, is  
4 hereby amended to read as follows:

5 Section 30. The said board of supervisors shall have the following  
6 powers:

7 1. To make and pass all ordinances, resolutions and orders, not  
8 repugnant to the constitution of the United States or of the State of  
9 Nevada, or to the provisions of this act, necessary for the municipal gov-  
10 ernment and management of the city affairs, for the execution of all  
11 powers vested in the city and for making effective the provisions of this  
12 act; and to enforce obedience to such ordinances with such fines or pen-  
13 alties as the said board may deem proper; provided, that the punishment  
14 of any offense shall be by a fine not to exceed three hundred dollars or  
15 by imprisonment not to exceed six months, or by both such fine and  
16 imprisonment.

17 2. To control the finances and property of the corporation.

18 3. To appropriate same for corporate purposes only, and to provide  
19 for the payment of all debts and expenses of the corporation.

20 4. To levy and collect taxes within the city for general and special  
21 purposes on real and personal property as provided by law.

22 5. To borrow money for corporate purposes, including the acquisition  
23 of a public utility, after the issuance of a proclamation setting forth the  
24 amount, terms, maximum rate of interest and duration of the proposed  
25 indebtedness, the fund from which it is to be paid, and in the case of a

Original bill is 13 pages long.  
Contact the Research Library for  
a copy of the complete bill.



## A. B. 157

## ASSEMBLY BILL NO. 157—MR. WEBB

FEBRUARY 3, 1969

Referred to Committee on Government Affairs

SUMMARY—Corrects description of state seal. (BDR 19-823)

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to the state seal; correcting the description thereof; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

- 1 SECTION 1. NRS 235.010 is hereby amended to read as follows:  
 2 235.010 1. There shall be a seal of the State of Nevada called The  
 3 Great Seal of the State of Nevada, the design of which shall be as follows:  
 4 In the foreground, there shall be two large mountains, at the base of  
 5 which, on the right, there shall be located a quartz mill, and on the left  
 6 a tunnel, penetrating the silver leads of the mountain, with a miner run-  
 7 ning out a carload of ore, and a team loaded with ore for the mill.  
 8 Immediately in the foreground, there shall be emblems indicative of the  
 9 agricultural resources of the state, as follows: A plow, a sheaf and sickle.  
 10 In the middle ground, there shall be a [train of railroad cars] *railroad*  
 11 *train* passing a mountain gorge and a telegraph line extending along the  
 12 line of the railroad. In the extreme background, there shall be a range  
 13 of snow-clad mountains, with the rising sun in the east. Thirty-six stars  
 14 and the motto of our state, "All for Our Country," shall encircle the  
 15 whole group. In an outer circle, the words "The Great Seal of the State  
 16 of Nevada" shall be engraved [with these words, for the motto of our  
 17 state, "All for Our Country."] *with "Nevada" at the base of the seal and*  
 18 *separated from the other words by two groups of three stars each.*  
 19 2. The size of the seal shall not be more than  $2\frac{3}{4}$  inches in diameter.  
 20 3. The seal shall be kept by the governor and used by him officially.  
 21 The secretary of state shall have access to the seal at all times, and may  
 22 use it in verification of all his official acts.  
 23 4. Every person who maliciously or for commercial purposes uses,  
 24 or allows to be used, any reproduction or facsimile of the great seal of  
 25 the State of Nevada, in any manner whatsoever, shall be guilty of a  
 26 misdemeanor.  
 27 SEC. 2. This act shall become effective upon passage and approval.