

SENATE JUDICIARY COMMITTEE

381

MINUTES

Meeting called to order on April 7th at 9:20 a. m. by Chairman Monroe.

Committee members present: Senator Monroe, Chairman  
Senator Swobe  
Senator Young  
Senator Bunker  
Senator Dodge  
Senator Hug  
Senator Christensen

Legislative Counsel: Frank Daykin

Guests: Frank Johnson, Chairman Gaming Control Board  
Bob Berry, Attorney for Valley Distributing Company  
Bob Horton, Representing Electronics Company  
David Hoy, Nevada Bankers Association  
Hugo Quilici, Director Department of Commerce  
Roy Torvinen, Assemblyman.

AB 495 - Declares that checks given or accepted in licensed gaming are enforceable.

There was a general discussion over the concern of this bill. All felt there should be some protection for the casino operators but could not see it handled as suggested in the bill.

Senator Young suggested to legalize the collection of gambling debts in Nevada and other states would honor this.

Senator Monroe suggested a cash checking service with all casinos collaborating and the check cages be set up in the lobby of the hotels rather than have the checks cashed in the casinos.

Frank Johnson stated this would slow up the gambling play if a person had to leave the casino to cash checks.

Senator Swobe felt there had been no problem until the Gibbs case and felt we should protect the gaming industry as long as gambling was a legal business in Nevada.

No decision was made.

AB 746 - Provides for licensing and inspection of equipment and materials used in gambling.

Frank Johnson advised the original intent in requesting this had not been taken care of. The Gaming Commission did not want a revenue measure but wanted control of mechanical as well as electronic gaming devices and material, and wanted means of enforcement and penalty for possession of crooked gaming devices.

Mr. Barry, representing Valley Distributing Company, stated this bill hurt the gaming manufacturers industry and this was not the original intent. It would not be fair to put a tax on every machine brought into the State of Nevada, which this bill mandated. His client brought on the average of 5,000 slot machines into the state each year and to pay a \$25.00 tax on each machine in addition to the federal tax and license on each machine would make it impossible financially. The gaming commission presently has the power to inspect each machine and also the parts that go into making the machines.

This bill was now a revenue measure and he felt the penalty should be made a part of the penal code instead of introducing special legislation to control.

Senator Dodge asked Mr. Barry if he had testified before the Assembly Judiciary Committee on this. Mr. Barry was not aware of the bill until after it had passed the Assembly so had no opportunity to do so.

Mr. Johnson stated rather than charge a set fee for the inspection of devices he would rather be able to charge the actual cost of the inspection of the machines. He was concerned with the language on page 2 lines 6 and 7, "for use in this state". The commission was concerned with equipment shipped out of state as well as that used within the state. He was also concerned with "put into play". There was nothing they could do with anyone who had possession of crooked equipment. They could take the evidence but they could not prosecute.

Mr. Bob Horton representing \_\_\_\_\_ Electronics stated it would be very difficult for the gaming commission to put controls on the gaming devices manufactured in Nevada and sent out of state to conform with the regulations of the state or country where they were sent. He also mentioned it was mandatory that the commission inspect each machine and he felt they should abide by the law or the law should be changed as it was impossible for them to inspect every machine. If a tax was put on every machine it would drive the manufacturers out of Nevada.

Mr. Johnson and Mr. Horton discussed the inspection controls on the devices and machines.

Mr. Johnson suggested the manufacturer be licensed with the gaming commission and then if equipment was found to be illegal the license could be revoked. This is now required with the manufacturing of electronic equipment but not with mechanical equipment.

Senator Dodge suggested a simple bill be drawn giving the gambling commission the power to license and regulate the manufacturing of gaming devices and equipment.

It was decided to amend giving the gaming commission authority to license and regulate mechanical and electronic devices. Also to give the commission the power to inspect equipment shipped in or out of the state, but this is not to be mandatory. Power to charge for the actual cost if investigating and inspecting and to make the possession of illegal equipment a misdemeanor.

Mr. Daykin was instructed to prepare the amendments.

Mr. Hugo Quilici commented on AB 232 that they had contacted several in the industry and advised there would be a hearing on this on Tuesday, April 8th and requested any testimony or discussion be postponed until tomorrow. It was agreeable.

AB 493 - Limits amount of recovery under and provides standards for the rendition of deficiency judgments.

Mr. David Hoy representing the Nevada Bankers Association stated the Nevada Banker's Association were in favor of this. There had been previous problems in settling deficiency judgments and this would not take advantage of either side. There would be attorneys and appraisers to represent both sides and would go into court and present their testimony and the decision would be up to the court. The deficiency judgement would have to be made using the difference of the fair market value and the amount of the mortgage on the property.

Senator Dodge stated there had been legislation trying to work this problem out presented for the past three sessions but no solution had been found. He felt the presence and requirement of appraisers would help the problem.

Senator Hug stated Ed Reed, Emerson Wilson and others were planning on being present at the committee meeting tomorrow and they had amendments to present for consideration. There will be further discussion on this tomorrow.

AB 573 - Adopts credit card crime act.

Senator Dodge had reservations on this. He asked Mr. Daykin what laws we had now for the illegal use of credit cards.

Mr. Daykin advised in the general statutes under obtaining money or property by false pretenses and also the credit card act which provided a penalty for the theft of a credit card, the use of a stolen credit card and passing a forged credit card. He stated

this bill went into detail on most of the general lines already covered. The only penalties now were for using a revoked or expired credit card.

Mr. Torvenien told the committee members the Banks were in favor of the broadened controls and also the Savings and Loan Associations. Most states were considering similar legislation and some had passed it. There had been previous problems in getting one to testify when his credit card had been stolen. This tied in the wrongful use of credit cards with other crimes and the penalties conformed to the regular code.

There was some discussion on the presumptive areas included in this.

Senator Dodge was concerned with the wording "or financial condition" on page 1, line 27.

It was agreeable to Mr. Torvinen to remove this wording if he would prefer.

Senator Dodge felt this was more comprehensive than was needed. He agreed we were going to be a credit card society and there should be controls however he would prefer to wait until a national situation arises and then legislate to control.

Chairman Monroe felt there was a national problem now and there should be stricter controls immediately.

Mr. Torvinen left the meeting.

Mr. Daykin read the prepared amendments for AB 299 however they did not meet the committee's satisfaction and he was requested to rewrite them.

There being no further time the meeting adjourned at 11:00 a. m.

Respectfully submitted,

Jeanne M. Smith, Secretary

APPROVED: \_\_\_\_\_