

## MINUTES - COMMERCE COMMITTEE - 56TH ASSEMBLY - March 11, 1971

Present: McKissick, Lingenfelter, Capurro, Poggione, Hilbrecht,  
Branch, Dini, Hafen, Ashworth

Others present: Assemblymen Valentine, Bryan, Prince, Swallow  
Lee Rose, State Farm - Las Vegas; Philip Hannifin, Gaming Comm.;  
Virgil Anderson, AAA - Reno; Geo. Vargas, Counsel for  
American Insurance Assoc.; David Paulley, Dep. Att. Gen.;  
Dr. Tom White, Commerce Commission

Chairman McKissick convened the meeting at 11:05 A.M. He called on Assemblyman Valentine to explain AB-535 - Imposes state flat rate license fee for operation of limited number of slot machines and card games in certain cities. He explained that there were only two cities in the state who were under the township act - Carlin and Boulder City. Boulder City does not permit gambling so Carlin would be the only one covered by this proposed legislation. This bill proposes that pan and poker may be operated on a flat rate bases as are premises who have 15 or less slots. At present, they do not have the pan and poker tables.

Mr. Hannifin spoke against the bill as he said this would create a tax collection problem. As the flat fee is \$25 per quarter and other operations of this gaming pay a percentage. He said that casinos who lease concessions of gambling must pay the percentage as well as unrestricted licenses.

MOTION BY CAPURRO TO INDEFINITELY POSTPONE AB-535, SECONDED BY ASHWORTH AND MOTION CARRIED.

AB-503 - Provides that certain insurance claims be settled in 30 days or notice of contest be given insured and claimant. Virgil Anderson, Triple A Ins. - Reno, spoke against the bill. He didn't see just how the bill would be workable as many times vehicles are severely damaged and it takes time to get parts. He stated that sometimes it may take as long as 2 or 3 months before a vehicle can be repaired properly. He stated they would like to dispose of claims quickly but sometimes it is not possible. Lee Rose, State Farm Ins. - Las Vegas, concurred with Mr. Anderson.

MOTION BY ASHWORTH TO INDEFINITELY POSTPONE AB-503, SECONDED BY LINGENFELTER AND CARRIED WITH BRANCH AND HILBRECHT DISSENTING.

AB-612 - Prohibits slot machine manufacturers from selling such machines at price lower than price offered by distributor. Mr. Capurro explained the need for this bill. Said that some manufacturers of slot machines also have their own distributor who can undercut distributors who are not connected with the manufacturer. They put in slots in an establishment, then the manufacturer can go in and undercut his price.

Mr. Hannifin explained how this proposed legislation would discriminate against manufacturers licensed in Nevada and those out of state who do not have to be licensed. He explained that Mills manufactures slots and are licensed in Nevada while Bally who manufacture them out of state

and ship them in, do not have to be licensed. He stated that the statutes governing licensing of these companies would make this legislation unenforceable.

Hilbrecht suggested that there be some research into why some manufacturers of slot machines do not have to be licensed. McKissick appointed Capurro to work with Hannifin and the bill drafter to get some regulation regarding this problem.

MOTION BY BRANCH TO INDEFINITE POSTPONE AB-612, SECONDED BY HILBRECHT AND MOTION LOST.

AB-511 Clarifies police power of Nevada Gaming Commission and State Gaming Control Board. Assemblyman Bryan appeared and made a few comments on this proposed legislation. Mr. Hannifin spoke in favor of this bill. He said that when legislation was enacted previously assigning police power to certain personnel in gaming (auditors, enforcement, and investigators), it only covered Chapter 463 of N.R.S. This bill is needed to cover the other gaming bills - 464 and 465. As it stands on the statutes now, they must turn over any arrests on violations of gaming licensing, to local authorities and this doesn't expedite matters.

MOTION BY CAPURRO FOR A DO PASS ON AB-511, SECONDED BY POGGIONE AND CARRIED.

AB-515 Requires proof of financial responsibility for all motor vehicles registered in the state. Assemblymen Prince and Swallow appeared. Swallow explained the bill and stated this was partially covered in statutes that exist but this would clarify it. He stated that, no doubt, it would force insurance rates higher. Capurro asked how many states have this type of statute and was informed 3. He asked how this could be policed and was informed through vehicle registration. McKissick stated that AB-144 which is the same type bill will be taken up in Judiciary today.

George Vargas, Counsel for American Insurance Ass'n., stated he doubted whether the legislature would want to enact this proposed bill as it is in conflict with NRS 485.090. He went through the inequities of this bill with statutes already in force. He stated that AB-515 would wipe out surplus insurance companies and there would be conflict with the Safety Responsibility Act. Representatives of the Department of Motor Vehicles concurred they oppose this bill, as did Dr. White of the Commerce Commission.

MOTION BY BRANCH TO INDEFINITELY POSTPONE AB-515, SECONDED BY ASHWORTH AND CARRIED.

Dr. White gave a copy of a letter to each committee member which explains a resolution the Chambers of Commerce will present to them concerning land sales at their noon luncheon.

Meeting adjourned at 12 noon.