

SENATE JUDICIARY COMMITTEE

338

MINUTES OF MEETING HELD

3rd DAY OF APRIL, 1973

The meeting was called to order at 8:00 a.m. Senator Close in the Chair.

PRESENT: Senator Foley  
Senator Bryan  
Senator Dodge  
Senator Hecht  
Senator Swobe  
Senator Wilson

Assemblyman Zel Lowman  
Assemblyman Roy Torvinen  
Assemblyman Darrell Dryer  
Bob Guinn, Nevada Motor Transport Association  
Mike Melner, Department of Commerce  
Wallie Warren, Nevada Bankers Association  
Les Kofed, Nevada Gaming Industry  
Paul Bruger, Electronic Specialist, Gaming Control Board  
Phil Hannafin, Chairman, Gaming Control Board  
Robbins Kahill, Nevada Gaming Resort Association

S.B. 557 - Increases penalty for unauthorized and fraudulent signing of another's credit card or like instrument.

Senator Bryan testified that he requested this bill to conform the forgery of credit cards to the other related laws on forgery.

The committee agreed to amend Section 2 of the bill to state that a person with 2 or more cards with different names in his possession is presumed to have them for illegal reasons and is guilty of a gross misdemeanor.

Senator Foley moved to amend and "DO PASS." Motion seconded by Senator Swobe. Motion carried.

AJR 31 - Proposes to amend the Nevada  
(56th Session) Constitution by creating a criminal court of appeals.

Mr. Torvinen testified that the single objective of the bill is the immediate dispatch of criminal appeals. Appeal from a criminal court of appeals would be accomplished by a writ. This would create an over-abundance of appeals but he felt there is no other way of accomplishing the objective.

Senator Bryan remarked that several states have gone the route of

a general court of appeals. Mr. Torvinen replied that a general court of appeals would operate under general rules to be provided by the court and could still be delayed 4 or 5 years.

Senator Close commented that this would make the supreme court an appeal court. He did not feel it would be wise to have an appellate court hearing only criminal matters.

Senator Dodge suggested as an alternative that the supreme court be expanded to 9 members and permitted to sit in panels of three. This would enable them to act as 3 separate supreme courts. Mr. Torvinen replied that he didn't believe the court could decide cases in panel. If they could, it would not save much time. The supreme court only spends one-fourth of its time in oral argument.

Senator Close mentioned that one-half of all criminal appeals originate in Las Vegas and this court would sit in Carson City. Mr. Torvinen replied that there is a bill which would allow the court to sit in Las Vegas. If it passes, it could be amended to include the criminal court of appeals.

A.B. 210 - Expands criminal provisions  
relating to explosive devices  
and bomb threats.

Assemblyman Lowman testified in support of the bill stating it would not extend to the legal use of dynamite and other explosives.

Assemblyman Darrell Dreyer testified that this bill was proposed by the Sheriff's Department in Las Vegas to expand the explosives law passed last session. The original bill was amended to exempt miners and others engaged in lawful activity.

Senators Wilson and Dodge objected to the possession being the crime rather than the intent to destroy life or property since the intent should be an element of the crime. Senator Dodge noted the difference between an explosive device and incendiary device since an incendiary device (one that burns rather than explodes) could be possessed for other reasons than destruction of life or property. As an example, he cited phosphorous.

The committee agreed to amend the bill to state that "the intended use of the explosive or incendiary device would cause destruction or injury to life or property" and removed the reference to the limiting language "if placed or thrown".

S.B. 532 - Creates a civil action for treble  
damages against receiver of stolen  
goods.

Mr. Bob Guinn testified that this same type of bill is being in-

roduced in most state legislatures at the suggestion of Senator Bible in an effort to handle not only hijacking, but the tremendous loss to the public through stolen goods which are fenced. They have taken a position on a national level that prosecution for stealing is one remedy, but to reach the fence is another. Federal and state legislation is needed for this solution.

Senator Swobe remarked that in Washoe County the pawnbrokers work well with the District Attorney's office and this bill would interfere with that relationship.

Mr. Guinn stated that he is not in a position to state whether the deletion of subsection 2 relating to pawnbrokers would do harm to the bill. It is obvious that the pawnbrokers business is the principal source of disposal of stolen property.

Senator Swobe moved to amend and "DO PASS." Motion seconded by Senator Dodge. Motion carried.

S.B. 283 - Provides for creation of  
industrial development  
corporations.

Mr. Mike Melner appeared before the committee to specifically answer the questions asked on this bill in yesterday's meeting. He contacted the Chief Counsel for the SBA for answers to those questions.

Experience has shown that generally these corporations are non-profit. The shareholders raise a small amount of capital, or cranking-up money. The shareholders' relationship is a limited one. They have half the control independent of the members.

Regarding the number of banks or financial institutions necessary to create these corporations, the Small Business Administration has made no recommendations or decisions. The figure 6 was used in this bill because it represents approximately one-half of the banks in the state.

In answer to the question of who is responsible for any losses, the SBA apparently uses a tracing system. The way it is now structured, the industrial development corporations raise money from its members. Once it has loaned or made commitments of 75% of the originally available monies, the SBA will match those monies. Once the corporation is functioning, the loans could be all federal monies or all member monies but they are capable of tracing whose monies are used in a specific loan.

Senator Dodge remarked that he did not believe that banks in Nevada would put money into a corporation which loans to small businesses on guidelines which are not acceptable to banks in the

first instance. He asked Wallie Warren if the banks have any interest in the bill. Mr Warren replied that they have no interest, but they don't oppose the bill.

Senator Dodge moved to reconsider the bill. Motion seconded by Senator Bryan.

Yeas - 5  
Nays - Foley (1)  
Absent - Wilson (1)

Motion carried.

S.B. 547 - Permits Nevada Gaming Commission to exempt banks from gaming licensing requirements under certain circumstances.

Wallie Warren informed the committee that the Nevada Bankers' Association was in concurrence with this bill.

Senator Bryan explained that in situations where a bank is acting as a feduciary for a gaming establishment, the commission would have the authority to waive the licensing requirements.

Senator Dodge moved "DO PASS." Senator Swobe seconded the motion.

Yeas - 6  
Nays - None  
Absent - Wilson (1)

Motion carried.

A.B. 266 - Authorizes gaming licensees and agents to detain and question persons suspected of swindling.

Mr. Les Kofed testified that this bill would strengthen the present law. After the bill passed the Assembly, Mr. Burger, an electronic specialist for the Control Board, noticed that it did not include the progressive jackpot machine situation. Quite a number of these machines do not pay off in coins, but the entire amount of the jackpot is hand delivered by the attendant. Mr. Kofed suggested amending the bill on Line 22, Page 1 of the first reprint by deleting the word "facilitate" and inserting: "unlawfully facilitate aligning of any winning combination."

Senator Close noticed that subsection 3 of Section 1 states that it is unlawful for any person to have a cheating device not limited to tools, drills, etc. This might preclude mechanics from carrying tools. Subsection 4 of the same section states it is unlawful

for any person not a duly authorized employee to have devices which might be used for cheating. He suggested amending the language "not a duly authorized employee" into subsection 3.

Senator moved to amend and "DO PASS." Motion seconded by Senator Wilson. Motion carried.

S.B. 560 - Provides for removal or suspension of members of State Gaming Control Board and revises investigative hearing procedure.

As a matter of clarification and to determine the policy decision, the committee questioned whether the provision for the governor to appoint 2 members of the Board for 4 years and 1 member for two years would result in a newly elected governor appointing two members or one member. This question would be dependant on the anniversaries of the members. Mr. Hannafin later clarified that the anniversary dates of the two members would fall in January of 1975 allowing a new governor 2 appointments; the anniversary date of the other member would fall in 1977.

Mr. Phil Hannafin testified that the Legislative Subcommittee which studied gaming between 1969 and 1971 made strong recommendations to moved toward stabilizing the Board. In 1971 the Gaming Act was changed to provide for term appointments of the Board, but retained the concept that the Board members would serve at the pleasure of the Governor. This seems to be an inconsistency.

Mr. Hannafin stated that this bill was requested by the Gaming Industry because of the insecurity experienced when there is a change-over in the Board. The Gaming Control Board has no objections to the bill. The provision for removal is retained and actually improved by specifying the cause for removal, even though those terms are rather broad. It helps to remove the Board from the political process and accompanying pressures and removes some of the immunity they are assumed to have if they are doing something improper.

Senator Close noticed that the section covering removal provides for a hearing yet the section covering suspension does not provide for a hearing. Mr. Hannafin stated that the suspension should be prior to a hearing for removal.


Senator Wilson objected to the requirement of removal for cause in such a sensitive area as this. He suggested a compromise between removal from the political process and the stability of the industry: retain the staggered terms for the board members and develop language to provide that the governor may relieve or dismiss if in his sole discretion he feels the dismissal is warranted or justified. Mr. Hannafin pointed out that the Legislature saw fit to provide insulation in the removal of the Gaming Commission by

allowing the governor to dismiss without cause but with the concurrence of the Legislative Commission. This insulation should also be provided for the Gaming Control Board.

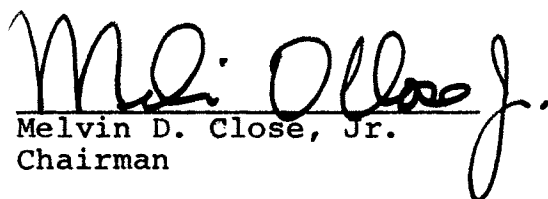
Senator Wilson noted that NRS 463.110 was amended to provide that investigative hearings may be conducted by a hearing examiner and conducted with the concurrence of a majority of the board. The present law states "conducted by one or more members with the concurrence..." The effect of the deletion of the words "by one or more members" is to authorize a hearing officer to sit in an investigative hearing without one or more members of the board present. Mr. Hannafin stated that this was not the intention of the amendment. The intention was to separate the functions of the prosecutor and judge for a more impartial finding of fact.

The meeting was adjourned at 10:00 a.m.

Respectfully submitted,

  
Eileen Wynkoop  
Secretary

APPROVED:

  
Melvin D. Close, Jr.  
Chairman