

GOVERNMENT AFFAIRS COMMITTEE

MINUTES OF THE MEETING

April 8, 1975

MEMBERS PRESENT:

CHAIRMAN DINI
VICE-CHAIRMAN MURPHY
ASSEMBLYMAN CRADDOCK
ASSEMBLYMAN HARMON
ASSEMBLYMAN MAY
ASSEMBLYMAN FORD
ASSEMBLYMAN YOUNG

MEMBERS ABSENT:

ASSEMBLYMAN SCHOFIELD

ALSO PRESENT:

Jack Stratton, Gaming Commission
Nash Sena
Andrew Hall
Mr. Jim Lien, Tax Commission
Mr. Broadbent
Mr. Adams

(The following bills were discussed at this meeting: A.B. 491,
S.B. 331, S.B. 310, S.B. 43, A.B. 310, S.B. 307, BDR 54-1564.)

Mr. Murphy called the meeting to order at 8:00 A.M. The first bill on the agenda was A.B. 491, which liberalizes provision for greyhound racing and pari-mutuel wagering. Mr. Jack Stratton testified first. He stated that they had no objections to the bill as amended. He stated that the control agency should have the authority in the final licensing. see attachment

Mr. May stated that he agreed with Mr. Stratton.

The next bill to be discussed was S.B. 331, which creates Elko City-County Civic Auditorium Authority and provides for issuance of its bonds. see attachment

Mr. Young testified and stated that it was asked that a convention authority consisting of one county commissioner and two city councilmen be set up. He stated that they will be setting up a new area and this will consist of all of the city of Elko. It will include all of the subdivison land. The amount is 2-1/2 million dollars. He stated that this will go to the public and they will create the bonding authority and that they have 90 days to establish this district. He stated that a special election would have to be called. He stated that Andy Hall had set up this bill and that it just sets up a convention authority committee.

Mr. Young stated that it leaves out Wells and Carlin. Elko would be in. He stated that he had spoken to the mayor and that they were in favor of passing it.

Mr. Young then made a do pass motion, which was seconded by Mr. May. All of the members were in favor of the motion and it was unanimously carried. Mr. Dini and Mr. Schofield were not present at the time of the vote.

The next bill on the agenda was S.B. 307, which authorizes counties, cities to purchase for investment negotiable notes on short-time negotiable bonds of Nevada local governments issued for short-term financing. Mr. Lien testified on this bill. He stated that small counties assist special districts when they are organized by lending them money. Often this money is lent at no interest. This is a benefit to that district. This bill authorizes entities to grant loans to other entities. It is now not presently allowed by statute. Mr. Lien stated that up to the present time they have been turning their heads but that they may not be able to continue to do that. The small counties consider it to be an advantage to them. He stated that he knew of no opposition. They are asking for permission to continue an existing practice.

Mr. Broadbent stated that they support it. He stated that it has been done for a long time.

Mr. Bill Adams stated that he agreed.

The next bill on the agenda was S.B. 310, which makes various changes in Las Vegas City Charter.

Mr. Bill Adams testified. He stated that this bill was introduced at their request for changes in the charter. It was designed to create two solutions to problems. The first was the lame duck commissioner. It allows the commissioners to take office immediately after the election. The second portion on page two was one of the paragraphs that was left out of the charter from the first run in 1971 and 1973 and at the close of the session in 1973 there were four amendments and during that process this paragraph was left out. They are asking that it go back in so that if there is a clear victory in the primary there is language to support it.

Mr. Young asked what a majority was. Mrs. Ford stated 51%.

Mrs. Ford stated that if you have very little participation in municipal elections someone could win a seat in the primary with a very tiny percentage of votes. Mr. Adams stated that he did not disagree. Mr. Young stated that there had been a similar bill in elections.

Mr. Jeffrey testified next on A.B. 491. He stated that in the last session the bill was passed allowing greyhound racing in Henderson by Charter amendment. He stated that the people involved had problems with financing. He then went through

2-0877

the bill with the committee.

Mr. Dini asked who controls pari-mutuels.

Mr. Jeffrey stated that the Racing Commission did.

Mr. Jeffrey introduced Donald Faulk. He stated that he was one of the operators of greyhound racing in Arizona. He stated that their family was currently under investigation for a racing license now. He passed a handout to the committee and discussed it with the committee.

Mr. Jeffrey stated that under the present law the gaming commission is required to investigate each licensee and make a report. They must then make a recommendation. Mr. Jeffrey stated that as far as he can see it may be important that the gaming commission do the investigation without a recommendation to the racing commission.

Mr. Jeffrey stated that he felt that there should be an investigation.

Mr. Murphy suggested that the word shall on Line 1, page 2 should be inserted in the place of the word may. He stated that he thought that that would solve the problem.

Mr. May stated that he thought that the act was pretty clean.

Mr. Murphy stated that the committee would take no final action on this bill and that all of the amendments would be gathered together and discussed.

Mr. Jeffrey stated that he would work on the amendments.

Mr. Jeffrey presented two letters to the committee which are attached to the minutes of this meeting and made a part hereof.

Mr. Bob Warren informed the committee that he had withdrawn his objection to S.B. 43.

The committee took the following action:

A.B. 310. Mrs. Ford moved for a do pass which was seconded by Mr. Harmon. All of the members were in favor of the motion and it was carried unanimously. Mr. Dini and Mr. Schofield were not present at the time of the vote.

S.B. 307. Mr. Harmon moved for a do pass which was seconded by Mr. May. All of the committee members were in favor of the motion and it carried unanimously. Mr. Dini and Mr. Schofield were not present at the time of the vote.

A.B. 491. Mr. Young moved for a do pass which was seconded by Mr. May. All of the members were in favor of the mo-

2-0678

tion and it carried unanimously. Mr. Schofield and Mr. Dini were not present at the time of the vote.

ABS71
as BDR

Mr. Dini stated that he had received BDR 54-1564 for committee introduction. This bill increases compensation and maximum traveling allowances of member of State Board of Registered Professional Engineers and redesignates one of its officers and requires appointment of executive secretary. The following committee members were in favor of the introduction of this BDR:

- Mr. Murphy
- Mrs. Ford
- Mr. Craddock
- Mr. Harmon
- Mr. Moody
- Mr. Young
- Mr. May

There being no further business to come before the meeting, the meeting adjourned.

Respectfully submitted,

BARBARA GOMEZ
Committee secretary

ASSEMBLY

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS

Tuesday,

Date April 8, 1975

Time 8:00 A.M.

Room 214

2-0674

Bills or Resolutions to be considered	Subject	Counsel requested*
A.B. 491	Liberalizes provision for greyhound racing and pari-mutuel wagering. <u>NOTIFY:</u> Mr. Hannifin, Gaming Board Mr. Jeffrey, Mr. Kofed and Mr. Cahill, Mr. Genotti	
S.B. 331	Creates Elko City-County Civic Auditorium Authority and provides for issuance of its bonds. <u>NOTIFY:</u> Senator Monroe, Mr. Young	
S.B. 307	Authorizes counties, cities to purchase for investment negotiable notes on short-time negotiable bonds of Nevada local governments issued for short-term financing. <u>NOTIFY:</u> Mr. Broadbent, Mr. Warren, Mr. Adams	
S.B. 310	Makes various changes in Las Vegas City Charter. <u>NOTIFY:</u> Senator Schofield, Mr. Adams, Mr. Warren	

*Please do not ask for counsel unless necessary.

LAS VEGAS DOWNS
ECONOMIC IMPACT
FIRST 100 DAYS
FIRST YEAR OF OPERATION

During the 100 day construction period of Las Vegas Downs, over \$3,000,000.00 will be spent in the Greater Las Vegas area with the larger portion of this amount going into direct payroll.

During the first year of operation, an additional \$500,000.00 will be spent preparing the facility for Horse Racing which will commence 300 days following the start of Dog Racing.

Also during the first year of operation, a total of \$2,691,000.00 will be spent by the Las Vegas Downs Greyhound Operation in the form of Payroll, Advertising, Utilities and many other varied expenses.

FIRST 100 DAYS -and- FIRST YEAR OF OPERATION

First 100 days of construction.....	\$3,000,000.00
First Year additional construction.(Horse Facilities).....	500,000.00
First Year expense items directed into the economies of:	
HENDERSON-LAS VEGAS-&-NEVADA.....	2,691,000.00
First Year Pari-Mutuel Taxes Paid To:	
State of Nevada.....	\$400,000.00
City of Henderson.....	200,000.00
Nevada Racing Commission.....	200,000.00*
Total First Year Pari-Mutuel Taxes Paid.....	800,000.00
TOTAL OF FIRST 100 DAYS AND FIRST YEAR OF OPERATION.....	<u>\$6,991,000.00</u>

*A large portion of the tax which is designated for the Racing Commission will be passed on to the various agricultural districts of Nevada.

LAS VEGAS DOWNS
ECONOMIC IMPACT
SECOND YEAR OF OPERATION

2- 0681

Starting the second year, Horse Racing will have become a reality and an additional \$800,000.00 will be spent to improve both the Horse and Dog Racing Facility. Again, the greater portion of this \$800,000.00 will be going into direct payroll.

With the addition of Horse Racing, those expense items being spent by Las Vegas Downs into the Nevada economy will exceed \$3,500,000.00.

SECOND YEAR OF OPERATION:

Second Year construction expense.....\$ 800,000.00

Second Year expense items directed into the economies of:
 HENDERSON-LAS VEGAS-&-NEVADA..... 3,500,000.00

Second Year Pari-Mutuel Taxes Paid To:
 State of Nevada.....\$543,000.00
 City of Henderson..... 181,500.00
 Nevada Racing Commission..... 271,500.00*

Total Second Year Pari-Mutuel Taxes Paid..... 996,000.00

TOTAL OF SECOND YEAR OF OPERATION.....\$5,296,000.00

TWO YEAR TOTAL.....\$12,287,000.00

*A large portion of the tax which is designated for the Racing Commission will be passed on to the various agricultural districts of Nevada.

LAS VEGAS DOWNS
ECONOMIC IMPACT
THIRD YEAR OF OPERATION

2-0682

During the Third Year of operation, an additional \$1,000,000.00 in construction will be required to continue to bring the Las Vegas Downs Racing Complex up to date. Again, the greater portion of this \$1,000,000.00 will find its way into the form of payroll.

The expense items being expended into the Nevada economy will by this time (Third Year of operation) exceed \$4,442,175.00.

THIRD YEAR OF OPERATION:

Third Year construction expense.....\$1,000,000.00

Third Year expense items directed into the economies of:

HENDERSON-LAS VEGAS-&-NEVADA..... 4,442,175.00

Third Year Pari-Mutuel Taxes Paid To:

State of Nevada.....\$588,300.00

City of Henderson..... 199,650.00

Nevada Racing Commission..... 294,150.00*

Total Third Year Pari-Mutuel Taxes Paid..... 1,082,100.00

TOTAL OF THIRD YEAR OF OPERATION.....\$6,524,275.00

THREE YEAR TOTAL.....\$18,811,275.00

*A large portion of the tax which is designated for the Racing Commission will be passed on to the various agricultural districts of Nevada.

LAS VEGAS DOWNS
ECONOMIC IMPACT
FOURTH YEAR OF OPERATION

2-0683

During the Fourth Year of operation, it will again be necessary to spend another \$1,100,000.00 in construction to complete the Las Vegas Downs Racing Complex. Again as in the previous years, this \$1,100,000.00 expenditure will contain a considerable amount of new payroll.

The expense items being expended into the Nevada economy will by this time (Fourth Year of Operation) exceed \$4,723,470.00.

FOURTH YEAR OF OPERATION:

Fourth Year construction expense.....\$1,100,000.00

Fourth Year expense items directed into the economies of:

HENDERSON-LAS VEGAS-&-NEVADA..... 4,723,470.00

Fourth Year Pari-Mutuel Taxes Paid To:

State of Nevada.....\$657,030.00

City of Henderson..... 219,615.00

Nevada Racing Commission..... 328,515.00*

Total Fourth Year Pari-Mutuel Taxes..... 1,205,160.00

TOTAL OF FOURTH YEAR OF OPERATION.....\$7,028,630.00

FOUR YEAR TOTAL.....\$25,839,905.00

*A large portion of the tax which is designated for the Racing Commission will be passed on to the various agricultural districts of Nevada.

LAS VEGAS DOWNS
ECONOMIC IMPACT
FIFTH YEAR OF OPERATION

2-0684

In the fifth year, for all practical purposes, all construction will have been completed and plans will call for more expansion in not less than two years.

The expense itmes will continue and those amounts being expended into the Nevada economy in this year will exceed (Fifth Year of Operation) \$5,274,377.00.

FIFTH YEAR OF OPERATION:

Fifth Year expense items directed into the economies of:

Henderson-Las Vegas-&-Nevada.....\$5,274,377.00

Fifth Year Pari-Mutuel Taxes Paid To:

State of Nevada.....\$711,844.00

City of Henderson..... 241,577.00

Nevada Racing Commission..... 355,922.00*

Total Fifth Year Pari-Mutuel Taxes..... 1,309,343.00

TOTAL OF FIFTH YEAR OF OPERATION.....\$6,583,720.00

FIVE YEAR TOTAL.....\$32,423,625.00

*A large portion of the tax which is designated for the Racing Commission will be passed on to the various agricultural districts of Nevada.

LAS VEGAS DOWNS
DEPRECIATION SCHEDULES
YEARS ONE THRU FIVE

SCHEDULE 1

	Year 1	Year 2	Year 3	Year 4	Year 5
Cost of Building	2,600,000.00	2,340,000.00	2,106,000.00	1,895,400.00	1,705,860.00
Depreciation 15 yr. 150% Dec. Bal.	<u>260,000.00</u>	<u>234,000.00</u>	<u>210,600.00</u>	<u>189,540.00</u>	<u>170,586.00</u>
Remaining Balance	2,340,000.00	2,106,000.00	1,895,400.00	1,705,860.00	1,535,274.00
Cost of Equipment	900,000.00	675,000.00	506,250.00	379,690.00	284,770.00
Depreciation 8 yr. 200% Dec. Bal.	<u>225,000.00</u>	<u>168,750.00</u>	<u>126,560.00</u>	<u>94,920.00</u>	<u>71,190.00</u>
Remaining Balance	675,000.00	506,250.00	379,690.00	284,770.00	213,580.00
Cost of Horse Facilities Yr. 1 (Phase II)		500,000.00	450,000.00	405,000.00	364,500.00
Depreciation 15 Yr. 150% Dec. Bal.		<u>50,000.00</u>	<u>45,000.00</u>	<u>40,500.00</u>	<u>36,450.00</u>
Remaining Balance		450,000.00	405,000.00	364,500.00	328,050.00
Cost of Horse Facilities Yr. 2 (Phase III)			600,000.00	540,000.00	486,000.00
Depreciation 15 Yr. 150% Dec. Bal.			<u>60,000.00</u>	<u>54,000.00</u>	<u>48,600.00</u>
Remaining Balance			540,000.00	486,000.00	437,400.00
Cost of Horse Equipment Yr. 2 (Phase III)			200,000.00	150,000.00	112,500.00
Depreciation 8 Yr. 200% Dec. Bal.			<u>50,000.00</u>	<u>37,500.00</u>	<u>28,125.00</u>
Remaining Balance			150,000.00	112,500.00	84,375.00
Cost of Horse Facilities Yr. 3 (Phase IV)				700,000.00	630,000.00
Depreciation 15 Yr. 150% Dec. Bal.				<u>70,000.00</u>	<u>63,000.00</u>
Remaining Balance				630,000.00	567,000.00
Cost of Horse Equipment Yr. 3 (Phase IV)				300,000.00	225,000.00
Depreciation 8 Yr. 200% Dec. Bal.				<u>75,000.00</u>	<u>56,250.00</u>
Remaining Balance				225,000.00	168,750.00
Cost of Horse Facilities Yr. 4 (Phase V)					900,000.00
Depreciation 15 Yr. 150% Dec. Bal.					<u>90,000.00</u>
Remaining Balance					810,000.00
Cost of Horse Equipment Yr. 4 (Phase V)					200,000.00
Depreciation 8 Yr. 200% Dec. Bal.					<u>50,000.00</u>
Remaining Balance					150,000.00
Total Depreciation For The Year	<u>485,000.00</u>	<u>452,750.00</u>	<u>492,160.00</u>	<u>561,470.00</u>	<u>614,201.00</u>

2-0685

LAS VEGAS DOW
CASH FLOW AFTER INCOME TAXES
AND CAPITAL IMPROVEMENTS
YEARS ONE THRU FIVE

	Year 1	Year 2	Year 3	Year 4	Year 5
300 Performances Dogs	863,365.00	1,000,408.00	1,179,311.00	1,391,338.00	1,616,123.00
100 Matinees Dogs*	163,950.00				
100 Performances Horses**		519,865.00	579,375.00	634,135.00	682,685.00
Cash Flow-Operations	<u>1,027,315.00</u>	<u>1,520,273.00</u>	<u>1,758,686.00</u>	<u>2,025,473.00</u>	<u>2,298,808.00</u>
Interest Payment	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00
Cash Flow Before Taxes (1)	<u>607,315.00</u>	<u>1,100,273.00</u>	<u>1,338,686.00</u>	<u>1,605,473.00</u>	<u>1,878,808.00</u>
Depreciation (Schedule 1)	485,000.00	452,750.00	492,160.00	561,470.00	614,201.00
Taxable Income	<u>122,315.00</u>	<u>647,523.00</u>	<u>846,526.00</u>	<u>1,044,003.00</u>	<u>1,264,607.00</u>
Income Taxes at 48%	58,715.00	310,811.00	406,332.00	501,121.00	607,011.00
Less Investment Credit	<u>(61,250.00)</u>	<u>(2,535.00)</u>	<u>(14,000.00)</u>	<u>(21,000.00)</u>	<u>(14,000.00)</u>
Income Taxes Payable (2)		<u>308,276.00</u>	<u>392,332.00</u>	<u>480,121.00</u>	<u>593,011.00</u>
Cash Flow After Income Taxes (1)-(2)	<u>607,315.00</u>	<u>791,997.00</u>	<u>946,354.00</u>	<u>1,125,352.00</u>	<u>1,285,797.00</u>
Cash From Prior Year		107,315.00	99,312.00	45,666.00	71,018.00
Horse Facilities***	<u>(500,000.00)</u>	<u>(800,000.00)</u>	<u>(1,000,000.00)</u>	<u>(1,100,000.00)</u>	
Cash Flow End of Year	<u>107,315.00</u>	<u>99,312.00</u>	<u>45,666.00</u>	<u>71,018</u>	<u>1,356,815.00</u>

* Dog Matinees to be run first year only.

** Day-time Horse Racing begins in second year.

*** Funds from cash flow to provide Horse Racing and expand complex.

2-0686



CITY OF HENDERSON

2-0687

CITY HALL 243 WATER STREET 702/565-8921
HENDERSON, NEVADA 89015

Gateway to Lake Mead Resorts

April 3, 1975

Assemblyman John Jeffrey
Nevada State Legislature
Legislative Building
Carson City, Nevada 89701

Dear Jack:

The City Council of the City of Henderson has unanimously voted to support A.B. 491 and requests your action toward an early passage.

Sincerely,

Donald M. Dawson
City Manager

DMD:ss

2- 0688



HENDERSON NEVADA CHAMBER OF COMMERCE

152 Water Street

89015

565-8951

INDUSTRIAL CENTER OF NEVADA
GATEWAY TO LAKE MEAD

April 3, 1975

Senator James I. Gibson
Assemblyman John Jeffrey
Assemblyman Nash Sena
Legislative Building
Carson City, Nevada

Honorable Legislators:

The Board of your Chamber of Commerce of Henderson, Nevada supports A. B. 491 and requests your action toward an early passage.

Sincerely,

HENDERSON CHAMBER OF COMMERCE



Donald M. Dawson
President

DMD:rt

2-0689

SB 331 - Highlights

Elko City-County Civic Auditorium Authority

- a.) Authority created upon passage and approval - three members, 2 appointed by Elko City, one by Elko County - may be member of City Council or County Commission.
- Board empowered to construct (following successful bond election), furnish & equip, establish rules, regulations, fees, and to operate and maintain auditorium facility.
- b.) Bonds - General obligation - payable from ad valorem taxes upon property within district.
- c.) County may pay money to Authority for use of facility.
- d.) Boundaries defined - Elko City, Lamoille Town, and most "special lands" lying between (Sec. 18).
Additional lands may subsequently be included by owner request or by County Commission resolution prior to acceptance of final map of newly platted lands (Sec. 26 - 2).
- e.) Timetable - 60 days following effective date of the Act, County establishes boundary of District and fixes date for special bond election (no more than 90 days following date of County resolution establishing district) for all residents within boundary.

2-0690

Elko is the county seat of Elko County, and the business center for an area of approximately 35,000 square miles. The region, like the rest of the state of Nevada, caters to and relies upon the tourism industry for a significant portion of its economic well being.

Since the destruction, by fire, in October, 1971 of the 550 seat Elko High School auditorium, the area has been without an auditorium. More recently, the condemnation of a second school building, occasionally used for stage and musical productions as an interim step, has left the community with no facility of the kind.

The Elko Chamber of Commerce Auditorium Committee, working with the City of Elko, and Elko County, has undertaken preliminary architectural studies to determine site preference, transportation plans, facilities for inclusion, and tentative construction costs and predictable annual operation budgets.

The community support is strongly favorable for the establishment of an auditorium-conference center, to cater to the various needs of the Elko County School district, the convention-tourism trade, and the some 60 clubs, lodges, associations, and other groups who need meeting space or who sponsor entertainment, and cultural events at intervals.

Architectural estimates for a 1200 seat auditorium and 9,000 square feet conference center (to include kitchen, exhibit hall, meeting rooms, storage and mechanical provisions) to be \$2,500,000.00

Prepared by:

Elko Chamber of Commerce
Civic Auditorium Committee
Thomas K. Hood, M.D. Chm.