

SENATE FINANCE COMMITTEE
 MINUTES OF MEETING
 MARCH 4, 1975

The meeting was called to order at 8:30 a.m.

Senator Floyd R. Lamb was in the Chair.

PRESENT: Senator Floyd R. Lamb, Chairman
 Senator James I. Gibson, Vice-Chairman
 Senator B. Mahlon Brown
 Senator Warren L. Monroe
 Senator William J. Raggio
 Senator Clifton Young
 Senator Lee E. Walker

OTHERS: Noel Clark, Public Service Commission
 Frank Young, Western Interstate Nuclear Compact
 Phil Hannifin, Gaming Commission
 Shannon Bybee, Gaming Commission
 Frank Matthews, New Careers
 Raybon Davis, New Careers
 Barbara Smith, New Careers

WESTERN INTERSTATE NUCLEAR COMPACT

Mr. Frank Young said that the Agency asked for a 50% increase with the understanding that it would be three to five years before another increase would be requested.

Senator Brown said he would like to see the Board's budget, as he could not understand why Nevada, being a less populated State, should pay the same dues as other members.

GAMING CONTROL BOARD

Senator Lamb asked about New Positions. Mr. Howard Barrett said that the Gaming laws get more complex each session, and because of gaming's contribution to the State revenue, the Budget Office felt this wasn't an area with which to economize.

Senator Brown asked what the salary increase percentage was for the unclassified positions. Mr. Phil Hannifin said 20%. Mr. Barrett added that unclassified positions did not receive a cost-of-living increase last year.

Mr. Hannifin said that the Senior Legal Stenographer is for the Deputy Attorney General; the eight auditors and one clerk are to cover the backlog of casino audits.

Senator Brown asked how the agency increases their income by audits. Mr. Hannifin said that discrepancies in payment of casino tax, and claims of income in incorrect areas are found and assessed. Mr. Bybee said if there is any question in the interpretation of the law, the company opts for themselves, and only pays if caught in a State audit. Mr. Bybee further remarked that in order to avoid paying taxes on income derived from marker collections, a gambling

PAGE TWO

GAMING CONTROL BOARD (Cont.)

operation will create subsidiary collection agencies. Mr. Hannifin said that taxes are paid on settlement amounts chosen by the company, which is not always the original debt.

In response to Senator Raggio, Mr. Bybee said that license applications are processed on a first come, first serve basis; and the larger the operation, the more investigative manpower required. Mr. Hannifin said that the area of junket investigations requires a great deal of manpower. Mr. Hannifin said we have over 600 junkets registered, and have only investigated 30.

Senators Raggio and Brown questioned the length of investigations for applications of small volume clubs. Senator Raggio asked if a solution in time conservation might be to contract with private investigation agencies for out-of-state applications. Mr. Hannifin answered that there would have to be a legislative change in regulations to lessen the need for investigations; and he personally, would not be responsible for what a private out-of-state agent would report.

Senators Lamb and Walker felt that club owners should have some responsibility for policing the industry. Mr. Hannifin said that security officers are not only not trained in law enforcement, but hesitate to make a citizen arrest because of lawsuit possibilities.

Senator Raggio asked about the number of convictions. Mr. Bybee said that last year there were approximately six, and six still pending.

Senator Brown said the Committee would appreciate any ideas on the possible relief of time involved in application for licensing. Mr. Bybee said that increased manpower is the solution.

Senator Raggio asked about Legal and Court expenses. Mr. Hannifin said this is for two Deputies Attorney General, and the Special Deputy Attorney General who receives \$70.00 per hour is not budgeted.

Senator Lamb asked about Retirement. Mr. Barrett replied that the new positions were included in the amount recommended.

Mr. Hannifin said that due to the Commission being held to a two year lease in their current location, there should not be any State Owned Building Rent budgeted for the Biennium. Mr. Hannifin said the Other Building Rent should read \$127,928 for the first year, and \$132,198 for the second year. Mr. Hannifin continued to say that the \$3,000 request for Improv/Struc Attch Fix, should

PAGE THREE

be \$11,075 for improvements in their current housing.

GAMING CONTROL BOARD INVESTIGATION FUND

Mr. Hannifin said there is no control on these figures as the penalty is so nominal for misuse, that it benefits the club to use their funds as they please until audited by the Commission. Mr. Hannifin feels there should be a percentage penalty when the assessment is discovered.

NEW CAREERS PLAN

Mr. Raybon Davis and Mrs. Barbara Smith both testified as graduates in behalf of the program.

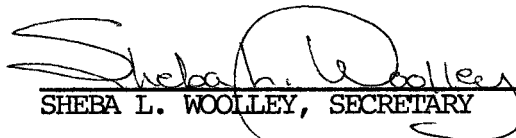
Mr. Frank Matthews said that a contract is signed which asks for the commitment of both the employer and the employee.

Mr. Ken Muller testified as an employer in behalf of the program, saying that he intended to continue, indefinitely, with the employees he has hired under the program.

Senator Gibson asked for a budget showing a breakdown of all funding.

There being no further business, the meeting was adjourned at 10:45 a.m.

RESPECTFULLY SUBMITTED:


SHEBA L. WOOLLEY, SECRETARY

APPROVED:


FLOYD R. LAMB, CHAIRMAN