

MINUTES

ASSEMBLY JUDICIARY COMMITTEE

March 16, 1977

Members absent: Assemblyman Hayes
Members present: Chairman Barengo
Assemblyman Banner
Assemblyman Coulter
Assemblyman Polish
Assemblyman Price
Assemblyman Ross
Assemblyman Sena
Assemblyman Wagner

Chairman Barengo called this committee action meeting to order at 8:25 a.m.

AB 288: Mr. Ross explained to the committee the amendment to this bill which he had drafted. He stated the jail would pay medical bills in the following situations only. They will pay for any injuries occurring during the arrest process and while the person is in custody. They will pay for the treatment of any infections, or communicable diseases. They will pay for any examinations that are required by law or by court order. He stated this amendment shifts the emphasis from the previous amendment by listing the three enumerations that law enforcement will be paid for and that everything else will be paid for by the individual who is getting the treatment.

He stated that in reference to collection, that the health and care facility furnishing the service will attempt to collect the cost of that treatment from the prisoner or his insurance company. If the hospital is unable to collect and so certifies to the county commission, then that payment comes from the county indigent fund. He stated that this amendment had been distributed to all those who had indicated an interest in it to him.

Mrs. Wagner said she felt the amendment was a duplication, in part, of other portions of the bill.

Mr. Bunker said that he did not feel this was a duplication because this was for the situation where someone was in jail and something goes wrong which did not happen during the time of arrest, for instance a gall bladder attack, this would be the type of illness the prisoner would be responsible for. It would not be the responsibility of the jail or police department because they had nothing to do with the problem or any other pre-existing condition, for that matter.

Mr. Ross stated that he would have a new amendment drafted to make the intent more clear. No further action was taken.

AB 13: Chairman Barengo said he had received a letter from Attor-

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ney General, Robert List, stating that it is his position as chairman of the licensing board that this bill would be good provided there be the following amendments added to it. There should be a punishment section for what happens if you practice while your license was suspended. There should be provision from the bonding requirement as well as the insurance clause.

Chairman Barengo asked Mike Dyer, if he felt there would be a problem in policing this. He said he felt these amendments would minimize the problems as they are, in effect, doing this presently.

Mr. Barengo asked Mike Dyer if all the amendments he wanted to include were in the letter from Robert List. Mr. Dyer stated they were.

Mr. Barengo said the letter would be sent to the bill drafters so that the amendments could be prepared. No further action was taken.

In answer to a question from Mrs. Wagner, concerning AB 37, Chairman Barengo said that they had passed AB 37 and were awaiting an amendment which hadn't been received yet.

AB 355: Chairman Barengo introduced the proposed amendments which had been submitted by Deputy District Attorney Bud Hicks which are attached and marked Exhibit A. These reflect the compromises which were reached by the representatives of the gaming agencies and members of the industry. The only section not agreed upon was section five of the bill which deals with the payment of costs related to investigations subsequent to licensing. He pointed out that if the committee were to decide that the state had to pay for this, then sections five, six and sixteen should be omitted from the bill and the amendment to section sixteen, attached, should be considered for adoption. All other sections, with the exception of the amendments attached, are acceptable to both the gaming industry and regulatory agencies. Also included in the attachment is a new statute which deals, exclusively, with directors of publicly traded corporations. Discussion on section five followed.

Mrs. Wagner asked what the main objection the industry had to the bill was. Mr. Barengo stated that it left it open for the regulatory agencies to show up at any time and tell the licensee that he needed to have funds to go out of state for an audit and they would have to give them the money. Mr. Ross also pointed out that the industry was also concerned that this would open the door for the gaming authorities to go into other things due to the broadening language of the section. And, also that they feel that, due to the amount of taxes the industry pays, that this should be an administrative cost. Mr. Barengo pointed out that section five also does something else. It states that if there is further investigation of someone who has already been licensed this proposes that that individual will also be liable for payment of those additional investigatory costs and the industry feels that once a person is licensed they should have been investigated thoroughly enough that

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if they need further investigation, the state should pay for it.

Mrs. Wagner asked if the committee had any information on how much money was collected from the gaming industry, in taxes and also how those taxes were determined. Mr. Barengo stated that he did not but that he would ask Earl Oliver to testify on this.

Senator Keith Ashworth was next to testify on AB 355 regarding section five. He stated that the industry feels that after one is licensed and you have that privileged license after a thorough investigation which may have cost from \$250-500,000, including all expenses, those for the state and his own witnesses, etc. that they should no longer have to pay costs of administration by the state. He said there is a definite need to investigate the out-of-state markers. He further stated that in NRS 463.330, the gaming agencies can use up to 10% of the revenue generated through gaming taxes to administer the act. He stated last year over \$90,000,000 was generated through those taxes and that means that they can draw on over \$9,000,000 without going to the legislature they need only to go to the director of finance and/or the governor to get approval for use of the extra monies needed. He stated he did not know exactly how much they used last year. He said what the industry objects to is having to give out this money for audit up-front because of the potential for misuse. He suggested that if the legislature does believe that these expenses should be borne by the industry, that the proper way to handle the situation would be that the auditors should go to the state and get the money and then when the costs were determined, they could bill the licensee for those costs.

He pointed out to the committee that the state is getting about 5- $\frac{1}{2}$ % of the gross on this and that by the time the licensee gets to the bottom line, he too is getting about 5- $\frac{1}{2}$ % or less. And, in effect the state is getting what is equal to 100% of the net profits, after taxes. In other words if the casino is able to bank \$1,000 in net income, the state also has received, through taxes, \$1,000 in bankable monies. He said that from an accounting viewpoint, a casino is the same as a grocery store. They are working with a pay-back ratio that is comparable to a price mark-up in a regular store, based on what profits are held in house over a yearly basis.

He explained how junket representatives work. They bring in, for example, a plane load of players who are supposed to be good players and they generate X number of thousands of dollars worth of markers. Those people who loose commit to paying that money back within a certain period of days, perhaps 30 days. And, when they go home the junket rep takes those markers home with him so that he can collect from those players. Then as collections are made the junket rep notes partial payments, if any, and when paid in full the markers are given to the players and they tear them up immediately. He said it is mandatory that the markers be there.

He said he felt it was a form of double taxation and it tends to erode the relationship between the licensee and the license grantor.

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He said this is causing a financial burden on some of the small operations in the rural areas.

Chairman Barengo asked him to comment on markers and why they are not legal debt. Senator Ashworth stated that he knew that they were not legal debt and that he hoped the state would never make them legal debts. He stated he felt this might kill the goose that laid the golden egg. He said that now, if a casino has a good customer and he has business set back and is unable to pay, that customer is protected. And, the collection of the markers is important, due to the small amount of profit that gets to the bottom line, and most of the large establishments have their own collection agents. The smaller ones, of course, turn these collections over to collections agencies and they send letters, make phone calls, etc. And, if these debts were made legal and these people were brought to court, then the state would be brought into the picture and the next time this person was in Nevada he would be taken into court on this suit. And, this would be the worst possible thing that they could do. And, since they now would be legal debts, the federal government would enter the picture because they could no longer be written off. The federal government's influence is already forcing the cash basis establishments to go onto an accrual basis which means, the revenue must be record when made and shown as accounts receivable. Then to write off that account receivable as a bad debt, every legal means must be proven and used to write it off before the IRS will allow that write off. This would also necessitate revealing the names of your customers and many of these people don't want to reveal who they are and Nevada should not care what name he uses so long as they are getting their money from him.

He stated he did not feel it would be a financial burden on the state to eliminate section five. He stated that he felt regulating agencies were hesitant to go to the budget director and ask for these additional funds, that it is easier to go to the licensee and that there is no good control in that and there is room for abuse.

Earl Oliver, LCB Audit Division, was next to address this problem. He stated that he felt somewhat unprepared on such notice. However he had brought the Quarterly Report of the State Gaming Control Board for the fourth quarter of 1976, which is attached and marked Exhibit B. He said the current allocation for the gaming budget would be in the current years budget which they already have. He said their department had done an audit recently and that they had, if reference to what they had just been talking about, and that there were three revenue sources available to the review board, the investigator's revolving fund which is a fund which is financed by charging applicants for licenses, up to ten per cent of the taxes received by law for the administration of gaming licensees (they have never expended over three per cent and his division had indicated to them that they felt charging the licensees for these subsequent audits was inappropriate under the present law and they suggested that that practice be discontinued).

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He stated that the report showed gross taxable revenues, before expenses, of 1.62 billion dollars for the year 1976 and 1.13 billion for the year 1975 which is an increase of 12% overall.

At year end there were 1258 licenses in force authorizing the operation of 2946 games, craps etc., 274 poker and pann tables and 55,111 slot machines, on which the state collected 95.9 million dollars in licenses and taxes in 1976.

In response to a question from Mrs. Wagner, Mr. Oliver stated that those taxes are based on many various rates that determine these taxes and that is in the report attached.

In response to a question from Chairman Barengo, Mr. Oliver said that he felt he did feel that the 10% figure was sufficient to administer the gaming functions. He stated that John Dolan would be more qualified to give the committee specifics on this.

He indicated, also, that the third source of revenue available to the gaming control board was the confidential fund that the chairman has available to him, about \$30,000 per year, which is set out in the budget and comes from the gaming revenues and he may use this for any investigations which he feels are appropriate.

In answer to a question from Mrs. Wagner, Mr. Oliver stated that obtaining monies over the budget is not automatic but, that all that they have to do is to go to the director of finance and show him why they need further monies and they will have it available if it is necessary and above their regular budget. He said he did not know whether or not they had ever done this and he did not know how difficult it would be.

Mr. Barengo asked that Mr. Dolan be brought over to discuss this.

AB 210: Mr. William K. Woodburn spoke on this bill and his written testimony, which he read to the committee, is attached as well as a more inclusive memorandum which was handed out to the committee and which he asked them to read at their convenience later. Those are attached and marked Exhibits C & D, respectively.

Chairman Barengo asked Mr. Woodburn, on completing his testimony, if he felt this would have a chilling effect on corporate financing or if it would be in the interest of the creditors of the corporations. Mr. Woodburn stated that, if anything, this should help in the area of corporate financing and as far as creditor's rights are concerned, they are enhanced by this legislation rather than detracted. There were no further questions of Mr. Woodburn.

There was a brief recess during which some of the committee members conferred with John Dolan regarding what is entailed in the gaming board getting further monies over their budgeted amount for investigations. He stated there should be no great problem in this area. However Mr. Dolan stated that to his knowledge, it had not been requested before.

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When the meeting resumed, Chairman Barengo stated to the committee that the basics of Mr. Dolan's comments were that in the total picture of things, the \$30,000 which is being talked about is insignificant and secondly that if the gaming board were to take the funds from their own budget the audits would be more of a spontaneous, unannounced type thing and in the long-run better because there would be no notice. And, any increase would only have to be requested to augment their existing budget.

Chairman Barengo stated that section five would be deleted from the bill and the appropriate changes would be made to sections six and sixteen. Chairman Barengo also stated that they felt it would be worth the \$30,000 for the public relations benefits to the industry to have the state pay these fees.

Due to a shortened morning schedule for March 18, Chairman Barengo had Frank Daykin come to testify on the three revisor bills which had been previously scheduled for Friday morning. Mrs. Hayes, Mr. Ross, Mr. Price and Mr. Banner were not present for either Mr. Daykin's testimony or the voting thereafter.

AB 40: Chairman Barengo interjected before Mr. Daykin began to talk that Judge Gregory would ask that this not be amended and he does not have an appetite for resigning. Mr. Daykin and Chairman Barengo agreed that this would be necessary if something unexpected incapacitated Judge Gregory. This bill deals with the addition of one more judge in Judge Gregory's district.

SB 65: Mr. Daykin stated that this bill deals with defective double amendments which have to do with bills that have more than one amendment during a session and one amendment does not take account of the other. It makes no change in the law only allows for conformity.

SB 67: Mr. Daykin stated that this bill is to make all gender references, male or female, to be inclusive of both sexes and to make all references, to past, or present, or future, refer to each or the other inclusively. And any reference to number, singular or plural, refers to both conditions.

SB 71: Mr. Daykin stated that this provides a clause in the NRS, instead of relying on the severability clause outside NRS, chapter two of the Statutes of Nevada 1957.

Chairman Barengo asked the committee if they could dispense with Assembly Joint Rule 92 which requires a five day notice of hearing. Mr. Polish moved AJR 92 be waived and Mr. Sena seconded it and it carried unanimously.

Committee Action:

SB 65: Mrs. Wagner moved a Do Pass, Mr. Sena seconded the motion and the motion carried unanimously. (Note members not present in paragraph three, this page.)

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SB 67: Mr. Sena moved a Do Pass, Mr. Polish seconded the motion and the motion carried unanimously. (Note members not present in paragraph three, this page.)

SB 71: Mr. Polish moved a Do Pass, Mrs. Wagner seconded the motion and the motion carried unanimously. (Note members not present in paragraph three, this page.)

Chairman Barengo submitted a letter from Richard Bortolin, NIC, in regard to the revised fiscal note on AB 160 for the record. It is attached and marked Exhibit E.

There being no further business, the meeting was adjourned at 10:40 a.m.

Respectfully submitted,

Linda Chandler

Linda Chandler, Secretary



3/16

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March 15, 1977

Hon. Robert Barengo
Nevada State Assembly
Legislative Building
Carson City, NV 89710

Dear Bob:

Enclosed is a draft of the amendments to A.B. 355 which reflect the compromises reached by representatives of the gaming agencies and members of the industry. Agreement has been reached as to all sections of A.B. 355 except section 5 and its related amendments which deal with responsibility for payment of costs of investigations conducted subsequent to licensing. If the Legislature believes that these costs should be paid by the licensees or other entities, then sections 5, 6, and 16 should remain in A.B. 355 in their current form. If, on the other hand, it is determined that these subsequent investigations should be funded by the state, then sections 5, 6, and 16 of A.B. 355 should be omitted from the bill and the proposed amendment to section 16 (enclosed herein) should be considered for adoption. With the exception of the foregoing, all other sections of A.B. 355 which are not amended by the enclosed drafts are acceptable to the regulatory agencies and the industry.

You will also note the addition in the attached set of amendments of a new statute which deals exclusively with directors of publicly traded corporations. This new statute was drafted in order to overcome problems with the earlier proposed amendments to NRS 463.637 (Section 22 of A.B. 355).

Please feel free to call me at any time if you have ques-

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tions concerning these changes.

Sincerely,

ROBERT LIST
Attorney General

By



A.J. Hicks
Deputy Attorney General
Gaming Division

AJH:lc
Encs.
cc: Senator Close

AMENDMENT TO SECTION 1 OF A.B. 355

Sec. 1. Chapter 463 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to ____, inclusive, of this act.

AMENDMENT TO SECTION 2 OF A.B. 355

Sec. 2. 1. The attorney general, at the direction of the commission, may institute a civil action in any district court of this state against any person subject to chapter 463, 464, or 465 of NRS to restrain violations of chapter 463, 464, or 465 of NRS.

2. An action brought pursuant to this section shall be given priority by the district court.

3. An action brought against a person pursuant to this section shall not preclude criminal actions or administrative proceedings against the person.

AMENDMENT TO SECTION 3 OF A.B. 355

Sec. 3. 1. Except for persons associated with licensed corporations and required to be licensed by NRS 463.530, each employee, agent, guardian, personal representative, lender or holder of indebtedness of a gaming licensee who, in the opinion of the commission, has the power to exercise a significant influence over the licensee's operation of a gaming establishment may be required to apply for a license.

2. A person required to be licensed pursuant to subsection 1 of this section shall apply for a license within 30 days after the commission requests that he do so.

3. If an employee required to be licensed under subsection 1:

(a) Does not apply for a license within 30 days after being requested to do so by the commission, and the commission makes a finding of unsuitability for such reason; or

(b) Is denied a license; or

(c) Has his license revoked by the commission, the gaming licensee by whom the employee is employed shall terminate his employment upon notification by registered or certified United States mail to the licensee of such action.

4. A gaming licensee shall not pay to the person who has been terminated pursuant to subsection 3 of this section any salary, wage, fee, compensation or remuneration for any service except for amounts due for services rendered prior

to the date of receipt of notice of such action by the commission. Any contract or agreement for personal services or for the conduct of any activity at the licensed gaming establishment between a gaming licensee and the person terminated pursuant to subsection 3 is void as against public policy.

5. A gaming licensee shall not enter into any contract or agreement with a person who is found unsuitable, who is denied a license or whose license is revoked by the commission or with any business entity under the control of that person after the date of receipt of notice of such action by the commission.

6. A gaming licensee shall not employ any person who is found unsuitable, who has been denied a license or whose license is revoked by the commission after the date of receipt of notice of such action by the commission, without prior approval of the commission.

7. Subsections 5 and 6 shall not apply to a bona fide entertainment contract.

AMENDMENT TO SECTION 4 OF A.B. 355

Sec. 4. 1. Each person who acquired directly or indirectly the beneficial ownership of any voting security of a publicly traded corporation which is registered with the commission may be required to be found suitable by the commission, if the commission finds there is reason to believe the person's acquisition of the beneficial ownership of the voting security of the publicly traded corporation which is registered with the commission is inconsistent with the policies set forth in NRS 463.130.

2. Each person, either by himself or in association with others, who acquires directly or indirectly the beneficial ownership of more than 5 percent of any class of voting securities of a publicly traded corporation which is registered with the commission and who is required to report such acquisition to the Securities Exchange Commission pursuant to section 13(d)(1) or section 16(a) of the Securities Exchange Act of 1934 shall file a copy of such report, and any amendments thereto, with the commission within 10 days of filing such report with the Securities Exchange Commission.

3. Each person, either by himself or in association with others, who acquires directly or indirectly the beneficial ownership of more than 10 percent of any class of voting securities of a publicly traded corporation which is registered with the commission and who is required to report such

acquisition pursuant to either section 13(d)(1) or 16(a) of the Securities Exchange Act of 1934 shall be required to be found suitable by the commission.

4. Any person required by the commission to be found suitable pursuant to this section shall:

(a) Apply for a finding of suitability within 30 days after the commission requests that he do so; and

(b) Together with the application, deposit with the board a sum of money which, in the opinion of the board, will be adequate to pay anticipated costs and charges incurred in the investigation and processing of the application, and deposit additional sums as are required by the board to pay final costs and charges.

5. Any person required by the commission to be found suitable pursuant to this section who is found unsuitable by the commission shall not hold directly or indirectly the beneficial ownership of any voting security of a publicly traded corporation which is registered with the commission beyond that period of time prescribed by the commission.

6. The violation of subsections 4(a), 4(b) or 5 is a gross misdemeanor.

NEW SECTION TO A.B. 355

Sec. ____ 1. Each director of a publicly traded corporation, who the commission determines is, or is to become, actively and directly engaged in the administration or supervision of the gaming activities at a licensed gaming establishment of the corporate licensee must be found suitable therefor and may be required to be licensed by the commission.

2. If any such director of a publicly traded corporation required to be found suitable or licensed pursuant to subsection 1 fails to apply for a finding of suitability or a gaming license within 30 days after being requested to do so by the commission, or is denied a finding of suitability or a license by the commission, or his finding of suitability or license is revoked by the commission, the publicly traded corporation shall immediately remove that person from any office or position wherein he is actively and directly engaged in the administration or supervision of the gaming activities of the corporate gaming licensee. If the commission suspends the suitability or license of any director, the publicly traded corporation shall, immediately and for the duration of such suspension, suspend him from performance of any duties wherein he is actively and directly engaged in administration or supervision of the activities at a licensed gaming establishment of the corporate licensee.

3. A publicly traded corporation which is registered with the commission shall not enter into any contract or agreement involving the activities at a licensed gaming establishment of the corporate licensee with a director who fails to apply for a finding of suitability or a license after being requested to so do by the commission, who is denied a finding of suitability or a license or whose finding of suitability or license is revoked or with any business entity under the control of that director after the date of receipt of notice of such action by the commission.

4. Subsection 3 shall not apply to bona fide entertainment contracts.

AMENDMENT TO SECTION 9 OF A.B. 355

Sec. ____ NRS 463.130 is hereby amended to read as follows:

463.130 [1. It is hereby declared to be the policy of this state that all establishments where gambling games are conducted or operated or where gambling devices are operated and manufacturers, sellers and distributors of certain gambling devices and equipment in the State of Nevada shall be licensed and controlled so as to protect the public health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada, and to preserve the competitive economy and the policies of free competition of the State of Nevada.

2. Any license issued pursuant to this chapter shall be deemed to be a revocable privilege and no holder thereof shall be deemed to have acquired any vested rights therein or thereunder.]

1. The legislature hereby finds, and declares to be the public policy of this state, that:

(a) The gaming industry is vitally important to the economy of the state and the general welfare of the inhabitants.

(b) The continued growth and success of the gaming industry is dependent upon public confidence and trust that licensed gaming is conducted honestly and competitively

and that the gaming industry is free from criminal and corruptive elements.

(c) Public confidence and trust can only be maintained by strict regulation of all persons, locations, practices, associations and activities related to the operation of licensed gaming establishments and the manufacture or distribution of gambling devices and equipment.

(d) All establishments where gaming is conducted and where gambling devices are operated, and manufacturers, sellers and distributors of certain gambling devices and equipment in the state shall therefore be licensed, controlled and assisted so as to protect the public health, safety, morals, good order and general welfare of the citizens of the State of Nevada, to foster the stability and success of the gaming industry and to preserve the competitive economy and the policies of free competition of the State of Nevada.

2. No applicant for a license, finding of suitability or other approval has any right to the license, finding of suitability or other approval sought. Any license, finding of suitability or other approval granted by the commission pursuant to this chapter or chapter 464 of the NRS is a revocable privilege and no holder thereof acquires any vested right therein or thereunder.

AMENDMENT TO SECTION 14 OF A.B. 355

Sec. _____ NRS 463.170 is hereby amended as follows:

463.170 Qualifications for state license , finding of suitability.

1. Any person whom the commission shall determine is a suitable person to receive a license or finding of suitability under the provisions of this chapter, having due consideration for the proper protection of the public health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and the policies set forth in NRS 463.130, may be issued a state gaming license [.] or finding of suitability. The burden of proving his qualification to receive [or hold] any license or finding of suitability hereunder shall be [at all times] on the applicant .
[or licensee.]

2. No application for a license or finding of suitability shall be granted unless the applicant has satisfied the commission that the applicant:

- (a) Is a person of good character, honesty and integrity;
- (b) Is a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming or the carrying on of the business and financial arrangements incident

thereto; and

(c) Is a person whose licensing or finding of suitability would not be inconsistent with the state policies set forth in NRS 463.130.

3. In addition, no application for a license to operate a gaming establishment shall be granted unless the applicant has satisfied the commission:

(a) That the applicant has adequate business probity, competence and experience, either in gaming or generally; and

(b) Where applicable, that the proposed funding of the entire operation shall (i) be adequate for the nature of the proposed operation; and (ii) from a suitable source. Any lender or other source of funds the commission finds does not meet the standards set forth in subsection 2 of this section may be deemed unsuitable.

4. An application for a license or finding of suitability shall constitute a request for a determination of the applicant's general character, integrity, and ability to participate or engage in, or be associated with, the gaming industry. Any written or oral statement made in the course of an official proceeding of the board or commission which is relevant and pertinent to the purpose of the proceeding is absolutely privileged and shall not impose liability for defamation nor constitute grounds for recovery in any civil action.

[2.] 5. The commission may in its discretion grant a

license to a corporation which has complied with the provisions of NRS 463.490 to 463.530, inclusive.

[3.] 6. No limited partnership, business trust or organization or other association of a quasi-corporate character shall be eligible to receive or hold any license under this chapter unless all persons having any direct or indirect interest therein of any nature whatsoever, whether financial, administrative, policymaking or supervisory, are individually qualified to be licensed under the provisions of this chapter.

[4.] 7. The commission may, by regulation, limit the number of persons who may be financially interested and the nature of such interest in any corporation or other organization or association licensed under this chapter, and establish such other qualifications for licenses as they may, in their [uncontrolled] discretion, deem to be in the public interest [.] and consistent with the state policies set forth in NRS 463.130.

AMENDMENT TO SECTION 15 OF A.B. 355

Sec. 15 NRS 463.310 is hereby amended to read as follows:

463.310 1. The board shall make [such] appropriate investigations:

(a) To determine whether there has been any violation of this chapter, chapter 464 or chapter 465 of NRS or any regulations adopted thereunder.

(b) To determine any facts, conditions, practices or matters which it may deem necessary or proper to aid in the enforcement of any such law or rules and regulations.

(c) To aid in adopting regulations.

(d) To secure information as a basis for recommending legislation relating to this chapter, chapter 464 or chapter 465 of NRS.

(e) As directed by the commission.

2. If, after any investigation the board is satisfied that a license, registration, finding of suitability, pari-mutuel license or prior approval by the commission of any transaction for which such approval was required or permitted under the provisions of this chapter or chapter 464 of NRS should be limited, conditioned, suspended or revoked, it shall initiate a hearing before the commission by filing a complaint with the commission in accordance with NRS 463.312 and transmit therewith a summary of evidence in its possession bearing on the matter and the transcript of

testimony at any investigative hearing conducted by or on behalf of the board.

3. Upon receipt of the complaint of the board, the commission shall review [the same] it and all matter presented in support thereof, and, if satisfied that probable grounds exist for disciplinary or other action, shall conduct further proceedings in accordance with NRS 463.312. If the commission is not satisfied that probable grounds exist for disciplinary or other action, it may order the complaint withdrawn without prejudice to the filing of another complaint after further investigation and reconsideration by the board.

4. After the provisions of subsections 1, 2 and 3 above have been complied with, the commission [shall have full and absolute power and authority to:] may:

(a) Limit, condition, suspend or revoke the license of any licensed gaming establishment or the individual license of any licensee without affecting the license of the establishment;

(b) Limit, condition, suspend or revoke any registration, finding of suitability, pari-mutuel license, or prior approval given or granted to any applicant by the commission;

(c) Order a licensed gaming establishment to keep an individual licensee from the premises of such licensed gaming establishment or not to pay such licensee any remuneration for services or any profits, income or accruals on

his investment in such licensed gaming establishment; and

[(d) Fine a licensed gaming establishment in an amount not to exceed \$100,000 for the first violation by such establishment, or any individual licensee in an amount not to exceed \$50,000 for the first violation by such individual; and]

[(e)] (d) Fine the licensee, registrant, person or entity previously found suitable, pari-mutuel licensee, or person or entity who previously obtained approval for any act or transaction for which commission approval was required or permitted under the provisions of this chapter or chapter 464 of NRS, [in an amount not to exceed] not more than \$100,000 for the first violation [by any entity other than an individual or in an amount not to exceed \$50,000 for the first violation by any individual,] and the commission may impose fines [in any amount which it deems appropriate] of not more than \$250,000 for each subsequent violation [s, for any cause deemed reasonable by the commission.] of the provisions of chapters 463, 464, or 465 of the NRS or of the regulations of the commission. All fines shall be paid to the state treasurer for deposit in the general fund.

5. For the second violation of any provisions of chapter 465 of NRS by any licensed gaming establishment or individual licensee, the commission shall revoke the license of such establishment or individual.

6. If the commission limits, conditions, suspends or

revokes any license or imposes a fine, or limits, conditions, suspends or revokes any registration, finding of suitability, pari-mutuel license or prior approval, it shall issue its written order therefor after causing to be prepared and filed its written decision upon which such order is based.

7. Any such limitation, condition, revocation, suspension or fine so made [shall be and remain] is effective until reversed [or modified] upon judicial review, except that the commission may stay its order pending a rehearing or judicial review upon such terms and conditions as it deems proper.

8. Judicial review of any such order or decision of the commission may be had in accordance with NRS 463.315.

AMENDMENT TO SECTION 16 OF A.B. 355

Sec. ____ NRS 463.331 is hereby amended to read as follows:

463.331 1. An investigative [revolving] fund is hereby created as a special revenue fund for the purposes of paying all expenses incurred by the board and the commission for investigation of an [applicant's suitability] application for [receiving] a license , finding of suitability or approval under the provisions of this chapter.

[Funding] The special revenues of the investigative [revolving] fund shall be [made from] moneys received by the state from applicants seeking a license [.] , finding of suitability or approval. The amount to be paid by each applicant shall be the amount determined by the board in each [individual] case.

2. Expenses may be advanced from the investigative [revolving] fund by the chairman, and expenditures from [such] the fund may be made without regard to NRS 281.160. [or any act amendatory thereof or supplemental thereto.] Any moneys received from the applicant in excess of the costs and charges incurred in the investigation [and] or the processing of [the applicant's] the application shall be refunded to the applicant pursuant to regulations adopted by the board and the commission.

3. At the conclusion of the investigation, the board shall give to the applicant a written accounting of the costs and charges incurred in the investigation or the processing of the application.

[3.] 4. Expenditures from the investigative [revolving] fund shall not be included in the computation of the limit imposed by subsection 1 of NRS 463.330.

[4.] 5. [At the end of each fiscal year all moneys in excess of \$2,000 shall be deposited in the general fund in the state treasury.] Within 3 months after the end of a fiscal year, the amount of the fund balance in excess of \$2,000.00 shall be deposited with the state treasurer for credit to the general fund.

AMENDMENT TO SECTION 20 OF A.B. 355

Sec. _____ NRS 463.560 is hereby amended to read as follows:

1. [If the commission finds any key executive of a corporation which holds a state gaming license unsuitable to hold a gaming license in the State of Nevada, the corporation shall, within 30 days of notification by registered or certified United States mail to the corporation of such finding, terminate the appointment or employment of any such suitable person.] A person required to be licensed pursuant to NRS 463.530 shall apply for a license within 30 days after the commission requests that he do so.

2. If an employee required to be licensed pursuant to NRS 463.530:

(a) Does not apply for a license within 30 days after being requested to do so by the commission, and the commission makes a finding of unsuitability for such reason; or

(b) Is denied a license; or

(c) Has his license revoked by the commission, the corporate gaming licensee by whom the person is employed shall terminate his employment upon notification by registered or certified United States mail to the corporation of such action.

3. The corporate licensee shall not pay to a person who has been terminated pursuant to subsection 2

of this section any salary, wage, fee, compensation, or remuneration for any service, except for amounts due for services rendered before the date of receipt of notice of such action by the commission. Any contract or agreement for personal services or for the conduct of any activity at the licensed gaming establishment between a corporate licensee and the person terminated pursuant to subsection 2 is void as against public policy.

4. The corporate licensee shall not enter into any contract or agreement with a person who is found unsuitable, who is denied a license or whose license is revoked by the commission or with any business entity under the control of that person after the date of receipt of notice of such action by the commission.

5. A corporate licensee shall not employ any person who is found unsuitable, who has been denied a license or whose license has been revoked by the commission after the date of receipt of notice of such action by the commission, without prior approval of the commission.

6. Subsections 4 and 5 shall not apply to bona fide entertainment contracts.

7. If the [corporation] corporate licensee names [a person] an employee to replace the [person found unsuitable] employee terminated pursuant to subsection 2 of this section, it shall promptly notify the commission [of such action] and shall cause [such person] the replacement

to apply for a gaming license [in the event] if his predecessor had [such] a license.

AMENDMENT TO SECTION 21 OF A.B. 355

Sec. ____ NRS 463.595 is hereby amended to read as follows:

1. Each officer, employee, director, partner, principal, trustee or director or beneficial owner of any interest in any holding company or intermediary company, who the commission determines is, or is to become, engaged in the administration or supervision of, or any other significant involvement with, the [gaming] activities of a corporate licensee, must be found suitable therefor and may be required to be licensed by the commission [, prior to such engagement].

2. If any officer, employee, director, partner, principal, trustee or direct or beneficial owner required to be found suitable pursuant to subsection 1 fails to apply for a finding of suitability or a gaming license within 30 days after being requested so to do by the commission, or is not found suitable or is denied a license by the commission, or his suitability or license is [rescinded] revoked after [such finding] appropriate findings by the commission, the holding company or intermediary company, or both, shall immediately remove [such officer, employee, director, partner, principal, trustee or owner] that person from any position wherein he is engaged in the administration or supervision of, or any other significant involvement with, the

[gaming] activities of a corporate licensee. If the commission suspends the suitability or license of any such officer, employee, director, partner, principal, trustee or owner, the holding company or intermediary company, or both, shall immediately and for the duration of such suspension, suspend [such person] him from performing any duties wherein he is engaged in administration or supervision of the [gaming] activities of the corporate licensee and from any other significant involvement therewith.

3. The holding or intermediary company shall not pay to the person who fails to apply for a finding of suitability or license after being requested to do so by the commission, who is denied a finding of suitability or a license or whose finding of suitability or license is revoked, any salary, wage, fee, compensation, or remuneration for any service relating to the activities of a corporate licensee, except for amounts due for services rendered prior to the date of receipt of notice of such action by the commission.

4. A holding company or intermediary company shall not enter into any contract or agreement with a person who fails to apply for a finding of suitability or license after being requested to do so by the commission, or who is denied a finding of suitability or a license or whose finding of suitability or license is revoked by the commission or with a business entity under the control of that person after the date of receipt of notice of such action by the commission.

5. A holding company or intermediary company may not employ in any position involving the activities of a corporate licensee any person who has failed to apply for a finding of suitability or license after being requested to do so by the commission, or who has been denied a finding of suitability or a license or whose finding of suitability or license has been revoked by the commission after the date of receipt of notice of such action by the commission, without prior approval of the commission.

6. Subsections 4 and 5 shall not apply to bona fide entertainment contracts.

AMENDMENT TO SECTION 22 OF A.B. 355

Sec. ____ NRS 463.637 is hereby amended to read as follows:

463.637 1. Each officer and employee of a publicly traded corporation, who the commission determines is, or is to become, actively and directly engaged in the administration or supervision of, or any other significant involvement with, the [gaming] activities of the corporate gaming licensee must be found suitable therefor and may be required to be licensed by the commission.

2. If any such officer or employee of a publicly traded corporation required to be found suitable or licensed pursuant to subsection 1 fails to apply for [such] a finding of suitability or a gaming license within 30 days after being requested to do so by the commission, or is [not found suitable] denied a finding of suitability or a license by the commission, or his finding of suitability or license is [rescinded after such finding] revoked by the commission, the publicly traded corporation shall immediately remove [such officer or employee] that person from any office or position wherein he is actively and directly engaged in the administration or supervision of , or any other significant involvement with, the [gaming] activities of the corporate gaming licensee. If the commission suspends the finding of suitability or license of any officer or employee, the publicly traded corporation shall, immediately and for the

duration of such suspension, suspend [such officer or employee] him from performance of any duties wherein [they are] he is actively and directly engaged in administration or supervision of the [gaming] activities of the corporate gaming licensee.

3. The publicly traded company shall not pay to the officer or employee who fails to apply for a finding of suitability or a license or who is denied a finding of suitability or a license or whose finding of suitability or license is revoked any salary, wage, fee, compensation, or remuneration for any service relating to the activities of the corporate gaming licensee, except for amounts due for services rendered prior to the date of receipt of notice of such action by the commission.

4. A publicly traded corporation which is registered with the commission shall not enter into any contract or agreement involving the activities of the corporate gaming licensee with a person who fails to apply for a finding of suitability or a license after being requested to do so by the commission, who is denied a finding of suitability or license or whose finding of suitability or license is revoked or with any business entity under the control of that person after the date of receipt of notice of such action by the commission.

5. A publicly traded corporation which is registered with the commission shall not employ in any position involving

the activities of a corporate gaming licensee a person who has failed to apply for a finding of suitability or a license after being requested to do so by the commission, who has been denied a finding of suitability or a license or whose finding of suitability or license has been revoked after the date of receipt of notice of such action by the commission, without prior approval of the commission.

6. Subsections 4 and 5 shall not apply to bona fide entertainment contracts.

AMENDMENT TO SECTION 23 OF A.B. 355

Sec. _____ NRS 463.639 is hereby amended to read as follows:

463.639 After the publicly traded corporation has registered pursuant to this chapter, and while the subsidiary holds a gaming license, the publicly traded corporation shall:

1. Report promptly to the commission in writing any change in its officers, directors or employees who are actively and directly engaged in the administration or supervision of the gaming activities of the corporate gaming licensee.

2. Each year furnish to the commission a profit and loss statement and a balance sheet of the publicly traded corporation as of the end of such year, and, upon request of the commission therefor, a copy of the publicly traded corporation's federal income tax return within 30 days after such return is filed with the Federal Government. All such profit and loss statements and balance sheets shall be submitted within 120 days after the close of the fiscal year to which they relate, and may be those filed by the publicly traded corporation with or furnished by it to the Securities and Exchange Commission.

3. [Report promptly to the commission in writing any changes in ownership of record of its equity

securities which indicate that any person has become the owner of record of more than 10 percent of its outstanding equity securities of any class.] Mail to the commission a copy of any statement, or amendment thereto, received from a stockholder or group of stockholders pursuant to Section 13(d) of the Securities Exchange Act of 1934, within 10 days after receiving the statement or amendment thereto, and report promptly to the commission in writing any changes in ownership of record of its equity securities which indicate that any person has become the owner of record of more than 10 percent of its outstanding equity securities of any class.

4. Upon request of the commission furnish to it a copy of any document filed by the publicly traded corporation with the Securities and Exchange Commission or with any national or regional securities exchange including documents considered to be confidential in nature, or any document furnished by it to any of its equity security holders of any class.

Exhibit B

QUARTERLY REPORT

STATE GAMING CONTROL BOARD

FOR THE
FOURTH QUARTER OF 1976
(OCTOBER 1 THROUGH DECEMBER 31)
AND
YEAR-TO-DATE COMPARISONS
(JANUARY 1 THROUGH DECEMBER 31)

GCB - Economic Research



MIKE O'CALLAGHAN
GOVERNOR
PHILIP P. HANNIFIN
CHAIRMAN
JOHN H. STRATTON
MEMBER
JEFFREY A. SILVER
MEMBER
IRENE F. MORROS
EXECUTIVE SECRETARY

STATE OF NEVADA
GAMING CONTROL BOARD
1150 EAST WILLIAM STREET
CARSON CITY, NEVADA 89710
(702) 885-4701

LAS VEGAS OFFICE:
VALLEY BANK PLAZA, SUITE 501
300 SOUTH FOURTH STREET
LAS VEGAS, NEVADA 89158
(702) 385-0151

March 2, 1977

HIGHLIGHTING THE REPORT:

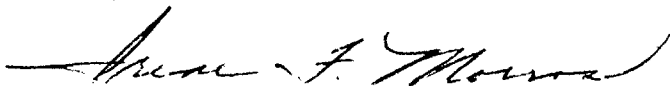
Nevada's legalized gaming industry reported gross taxable revenues (winnings before deduction of operating expenses) of \$1.26 billion for the calendar year 1976 as compared to \$1.13 billion for 1975, representing a statewide increase of 12.0%. Clark, Douglas, and Washoe Counties, constituting the three prime areas of gaming activity, reported respective gains in gross revenue of 9.8%, 13.5% and 18.9% in 1976 over 1975.

In the fourth quarter of the year (October 1 through December 31) Nevada's gaming revenues were growing at a 15.2% rate over the similar year-ago period.

At year-end there were 1,258 licenses in force authorizing the operation of 2,946 games (Craps, '21', etc.), 274 tables (Poker, Pan), and 55,111 slot machines of varying denominations upon which the State collected \$95.9 million in license fees and taxes.

Any inquiries the reader may have pertaining to this report should be directed to the State Gaming Control Board, SECURITIES & ECONOMIC RESEARCH DIVISION, 1150 East William Street, Carson City, Nevada, 89710. Telephone: (702) 885-4701.

Respectfully submitted,



Irene F. Morros
Executive Secretary

IFM:CJA:md

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TERMINOLOGY

SECTION I

Gross Taxable Revenue:

Synonymous with winnings. The taxable base upon which percentage fees (later defined) are applied. A gross figure with no deduction for operating and other expenses. Should not be construed as net profit or net income. In this Section Gross Revenue is further broken down into its components of game and table and slot machine revenues.

SECTION II

Fees Earned:

Fees and taxes payable in the next ensuing quarter on the current quarter's business. In this Section-Percentage Fees and Casino Entertainment Taxes receivable.

Percentage Fees:

The most substantial of several State levies on gaming. A fee on gross revenue applied on a graduated basis at the following quarterly rates:

3% of first \$150,000 of gross revenue
4% of next \$250,000 of gross revenue
5.5% of revenues in excess of \$400,000

Casino Entertainment Tax:

Similar in many respects to the former Federal Cabaret Tax. Applies only to casinos operating more than 3 games or 50 slot machines. The tax is levied at the rate of 10% of all amounts paid for admission, merchandise, refreshment, or service while the gaming establishment is in an entertainment status. Primarily applicable to showroom and lounge activities.

SECTION III

Total Collections:

The total of receipts from all State levies on gaming. Reported on a cash basis in the quarter and year in which collections are affected (unlike Section II wherein receivables are reflected). Percentage Fees and Casino Entertainment Taxes included in Total Collections relate to the prior quarter's business.

Percentage Fee Collections:

Shown in the quarter in which collected and predicated upon prior quarter's business.

TERMINOLOGY (Continued)

SECTION III (Continued)

Annual License Fee Collections:

A levy based upon the number of games operated and taxed at variable rates as prescribed in NRS 463.380. Payable annually and distributed to Nevada's 17 counties on an equal basis after extraction of State administrative costs.

Flat Fee Collections:

Quarterly levies on the number of games and slot machines operated. Nonrestricted licensees (those operating more than 15 slots and/or any number of games) remit \$10 per quarter per machine and pay a fee at variable rates on the number of games operated as established in NRS 463.383. Restricted licensees (those having 15 or less slot machines and no table gaming) remit \$25 per quarter per machine as prescribed in NRS 463.373.

Entertainment Tax Collections:

Shown in the quarter in which collected and predicated upon prior quarter's business.

Slot Machine Tax Collections:

Annual levy on the number of slot machines to be operated at the rate of \$200 per machine per year. The first \$5 million collected each fiscal year is deposited in the Higher Education Capital Construction Fund. Any monies over \$5 million collected each fiscal year is deposited in the State Distributive School Fund.

Miscellaneous Collections:

Penalties.....Applies to delinquent filing of tax returns.

Manufacturer's and
Distributor's Fees.....Statutory fees for fabricating and supplying gaming devices, equipment, etc.

Advance Payments.....Nonrestricted licensees must achieve an advance-paid status after completing first full calendar quarter year of operation. This is accomplished by double - paying percentage fees on gross revenue.

Race Wire Fees.....A disseminator of horse race information to race books must remit to the Commission \$10 per day for each and every day for each and every horse race book supplied with data.

Pari-mutuel Wagering Tax.....A 2% tax on the total amount of money wagered under the pari-mutuel wagering system on any racing or sporting event except horse racing and dog racing.

Nominal Miscellaneous Items...Charges for certain publications, transcripts, etc.

GROSS TAXABLE REVENUE

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COMPARATIVE SCHEDULE

4TH QUARTER

GROSS TAXABLE REVENUE

The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 4,266,381	\$ 3,237,651	\$ 1,028,730	31.8
CHURCHILL	453,378	361,558	91,820	25.4
CLARK	209,061,499	186,801,023	22,260,476	11.9
DOUGLAS	31,521,440	25,796,502	5,724,938	22.2
ELKO	4,544,830	3,636,917	907,913	25.0
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	907,847	738,438	169,409	22.9
LANDER	132,555	111,922	20,633	18.4
LINCOLN	None	None	None	None
LYON	55,800	47,946	7,854	16.4
MINERAL	664,051	621,156	42,895	6.9
NYE	291,521	151,984	139,537	91.8
PERSHING	81,145	60,701	20,444	33.7
STOREY	262,018	195,860	66,158	33.8
WASHOE	56,483,600	46,351,479	10,132,121	21.9
WHITE PINE	210,498	157,013	53,485	34.1
TOTAL	\$ 308,936,563	\$ 268,270,150	\$ 40,666,413	15.2

COMPARATIVE SCHEDULE

YEAR TO DATE

GROSS TAXABLE REVENUE

The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).

Counties	JANUARY 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 16,242,355	\$ 13,684,711	\$ 2,557,644	18.7
CHURCHILL	1,648,538	1,507,333	141,205	9.4
CLARK	845,975,652	770,336,695	75,638,957	9.8
DOUGLAS	138,453,401	121,961,020	16,492,381	13.5
ELKO	19,709,984	16,861,875	2,848,109	16.9
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	3,621,290	3,041,397	579,893	19.1
LANDER	505,328	435,260	70,068	16.1
LINCOLN	None	None	None	None
LYON	193,924	174,735	19,189	11.0
MINERAL	2,751,182	2,616,990	134,192	5.1
NYE	842,645	614,640	228,005	37.1
PERSHING	322,600	304,889	17,711	5.8
STOREY	1,289,453	1,038,614	250,839	24.2
WASHOE	229,710,130	193,212,293	36,497,837	18.9
WHITE PINE	759,160	624,958	134,202	21.5
TOTAL	\$1,262,025,642	\$1,126,415,410	\$ 135,610,232	12.0

COMPARATIVE SCHEDULE

4TH QUARTER

GROSS GAME AND TABLE REVENUE

The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 2,026,538	\$ 1,596,753	\$ 429,785	26.9
CHURCHILL	219,117	182,398	36,719	20.1
CLARK	144,594,403	135,165,997	9,428,406	7.0
DOUGLAS	18,607,049	15,281,521	3,325,528	21.8
ELKO	2,315,918	1,827,065	488,853	26.8
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	441,573	382,248	59,325	15.5
LANDER	57,319	44,932	12,387	27.6
LINCOLN	None	None	None	None
LYON	23,702	20,425	3,277	16.0
MINERAL	354,423	364,075	-9,652	-2.7
NYE	172,490	81,381	91,109	112.0
PERSHING	27,644	12,600	15,044	119.4
STOREY	11,692	3,292	8,400	255.2
WASHOE	28,946,775	25,022,913	3,923,862	15.7
WHITE PINE	135,370	98,149	37,221	37.9
TOTAL	\$ 197,934,013	\$ 180,083,749	\$ 17,850,264	9.9

COMPARATIVE SCHEDULE

YEAR TO DATE

GROSS GAME AND TABLE REVENUE

The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).

Counties	JANUARY 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 7,562,257	\$ 6,510,908	\$ 1,051,349	16.1
CHURCHILL	782,175	725,922	56,253	7.7
CLARK	599,629,649	563,465,995	36,163,654	6.4
DOUGLAS	81,729,576	72,258,612	9,470,964	13.1
ELKO	9,421,287	8,243,373	1,177,914	14.3
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	1,582,618	1,378,867	203,751	14.8
LANDER	204,717	167,933	36,784	21.9
LINCOLN	None	None	None	None
LYON	77,959	69,120	8,839	12.8
MINERAL	1,423,669	1,400,286	23,383	1.7
NYE	475,690	334,874	140,816	42.1
PERSHING	83,125	76,802	6,323	8.2
STOREY	35,816	14,569	21,247	145.8
WASHOE	118,756,861	101,739,510	17,017,351	16.7
WHITE PINE	438,082	356,226	81,856	23.0
TOTAL	\$ 822,203,481	\$ 756,742,997	\$ 65,460,484	8.7

COMPARATIVE SCHEDULE

4TH QUARTER

GROSS SLOT MACHINE REVENUE

The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 2,239,843	\$ 1,640,898	\$ 598,945	36.5
CHURCHILL	234,261	179,160	55,101	30.8
CLARK	64,467,096	51,635,026	12,832,070	24.9
DOUGLAS	12,914,391	10,514,981	2,399,410	22.8
ELKO	2,228,912	1,809,852	419,060	23.2
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	466,274	356,190	110,084	30.9
LANDER	75,236	66,990	8,246	12.3
LINCOLN	None	None	None	None
LYON	32,098	27,521	4,577	16.6
MINERAL	309,628	257,081	52,547	20.4
NYE	119,031	70,603	48,428	68.6
PERSHING	53,501	48,101	5,400	11.2
STOREY	250,326	192,568	57,758	30.0
WASHOE	27,536,825	21,328,566	6,208,259	29.1
WHITE PINE	75,128	58,864	16,264	27.6
TOTAL	\$ 111,002,550	\$ 88,186,401	\$ 22,816,149	25.9

COMPARATIVE SCHEDULE

YEAR TO DATE

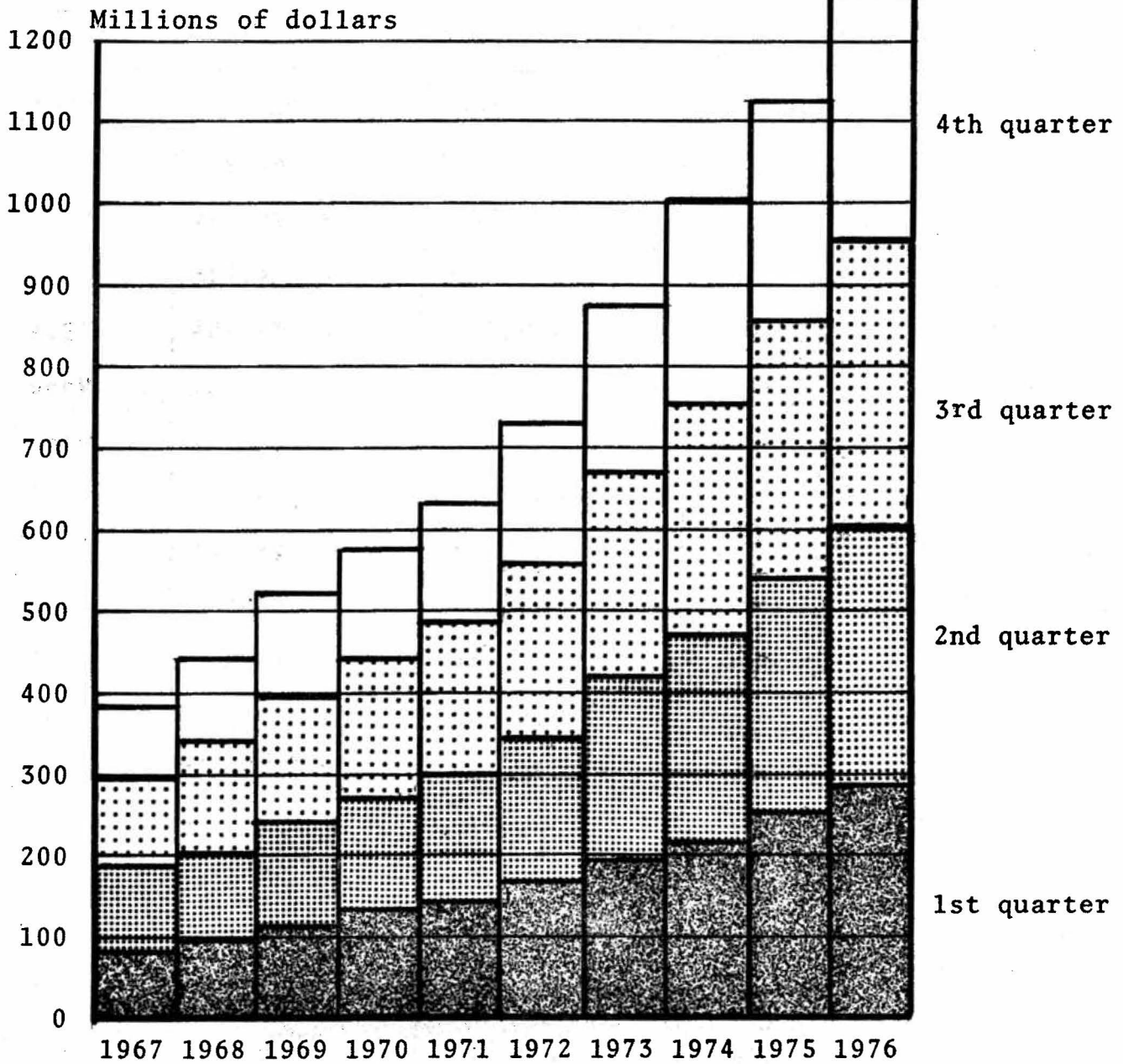
GROSS SLOT MACHINE REVENUE

The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).

Counties	JANUARY 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 8,680,098	\$ 7,173,802	\$ 1,506,296	21.0
CHURCHILL	866,363	781,412	84,951	10.9
CLARK	246,346,003	206,870,701	39,475,302	19.1
DOUGLAS	56,723,825	49,702,409	7,021,416	14.1
ELKO	10,288,697	8,618,503	1,670,194	19.4
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	2,038,672	1,662,529	376,143	22.6
LANDER	300,611	267,327	33,284	12.5
LINCOLN	None	None	None	None
LYON	115,965	105,614	10,351	9.8
MINERAL	1,327,513	1,216,704	110,809	9.1
NYE	366,955	279,767	87,188	31.2
PERSHING	239,475	228,087	11,388	5.0
STOREY	1,253,637	1,024,044	229,593	22.4
WASHOE	110,953,269	91,472,783	19,480,486	21.3
WHITE PINE	321,078	268,732	52,346	19.5
TOTAL	\$ 439,822,161	\$ 369,672,414	\$ 70,149,747	19.0

COMPARATIVE CHART

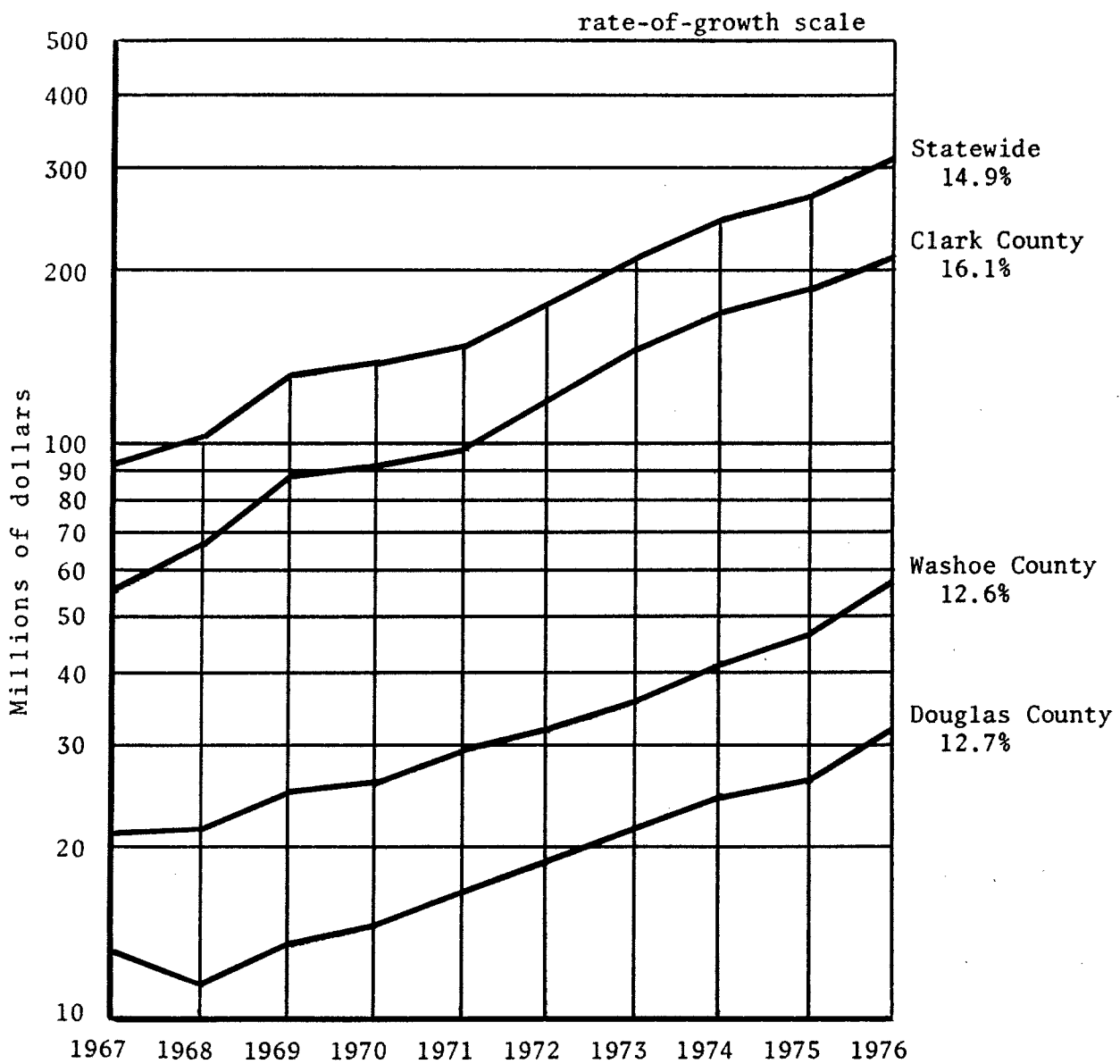
GROSS TAXABLE REVENUE



COMPARATIVE CHART

GROSS TAXABLE REVENUE

in selected counties for
the fourth calendar quarter
(Oct., Nov., & Dec.)



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GCB - Economic Research

COMPARATIVE SCHEDULE

4TH QUARTER

PERCENTAGE FEES EARNED

A tabulation of accrued percentage fees at the following rates:
 3% of first \$150,000 of revenue
 4% of next \$250,000 of revenue
 5.5% of revenue in excess of \$400,000

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 214,014	\$ 157,008	\$ 57,006	36.3
CHURCHILL	15,311	12,191	3,120	25.6
CLARK	10,842,679	9,812,946	1,029,733	10.5
DOUGLAS	1,674,319	1,363,738	310,581	22.8
ELKO	194,541	149,421	45,120	30.2
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	30,635	25,010	5,625	22.5
LANDER	3,977	3,358	619	18.4
LINCOLN	None	None	None	None
LYON	1,674	1,438	236	16.4
MINERAL	27,947	25,400	2,547	10.0
NYE	8,841	4,560	4,281	93.9
PERSHING	2,434	1,821	613	33.7
STOREY	7,861	4,864	2,997	61.6
WASHOE	2,810,470	2,292,681	517,789	22.6
WHITE PINE	5,926	4,710	1,216	25.8
TOTAL	\$ 15,840,629	\$ 13,859,146	\$ 1,981,483	14.3

COMPARATIVE SCHEDULE

YEAR TO DATE

PERCENTAGE FEES EARNED

A tabulation of accrued percentage fees at the following rates:
 3% of first \$150,000 of revenue
 4% of next \$250,000 of revenue
 5.5% of revenue in excess of \$400,000

Counties	JANUARY 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 806,280	\$ 663,210	\$ 143,070	21.6
CHURCHILL	55,890	51,295	4,595	9.0
CLARK	44,338,512	40,384,049	3,954,463	9.8
DOUGLAS	7,385,870	6,493,832	892,038	13.7
ELKO	857,069	720,397	136,672	19.0
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	127,540	103,974	23,566	22.7
LANDER	14,954	13,058	1,896	14.5
LINCOLN	None	None	None	None
LYON	5,817	5,243	574	10.9
MINERAL	116,377	109,995	6,382	5.8
NYE	23,169	18,439	4,730	25.7
PERSHING	9,677	9,147	530	5.8
STOREY	38,993	30,150	8,843	29.3
WASHOE	11,512,316	9,724,675	1,787,641	18.4
WHITE PINE	22,385	18,715	3,670	19.6
TOTAL	\$ 65,314,849	\$ 58,346,179	\$ 6,968,670	11.9

4TH QUARTER

ENTERTAINMENT TAX EARNED

A tabulation of accrued entertainment tax liability for the period indicated at the rate of 10% of all amounts paid for admissions, merchandise, refreshments or services when applicable.

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 9,882	\$ 15,458	\$ -5,576	-36.1
CHURCHILL	1,520	2,020	-500	-24.8
CLARK	2,459,984	2,292,966	167,018	7.3
DOUGLAS	236,326	235,646	680	0.3
ELKO	21,116	18,457	2,659	14.4
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	7,307	5,931	1,376	23.2
LANDER	None	None	None	None
LINCOLN	None	None	None	None
LYON	None	None	None	None
MINERAL	1,648	1,648	None	None
NYE	939	908	31	3.4
PERSHING	528	406	122	30.0
STOREY	None	440	-440	-100.0
WASHOE	194,299	172,787	21,512	12.5
WHITE PINE	1,986	2,088	-102	-4.9
TOTAL	\$ 2,935,535	\$ 2,748,755	\$ 186,780	6.8

COMPARATIVE SCHEDULE

YEAR TO DATE

ENTERTAINMENT TAX EARNED

A tabulation of accrued entertainment tax liability for the period indicated at the rate of 10% of all amounts paid for admissions, merchandise, refreshments or services when applicable.

Counties	JANUARY 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 54,618	\$ 62,367	\$ -7,749	-12.4
CHURCHILL	6,207	7,260	-1,053	-14.5
CLARK	9,827,200	9,244,568	582,632	6.3
DOUGLAS	1,435,384	1,192,654	242,730	20.4
ELKO	89,424	80,026	9,398	11.7
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	27,945	26,627	1,318	4.9
LANDER	None	None	None	None
LINCOLN	None	None	None	None
LYON	None	None	None	None
MINERAL	7,017	7,150	-133	-1.9
NYE	3,544	3,683	-139	-3.8
PERSHING	2,078	1,878	200	10.6
STOREY	535	3,092	-2,557	-82.7
WASHOE	856,184	727,197	128,987	17.7
WHITE PINE	7,504	8,492	-988	-11.6
TOTAL	\$ 12,317,640	\$ 11,364,994	\$ 952,646	8.4

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COMPARATIVE SCHEDULE

4TH QUARTER

TOTAL COLLECTIONS

A schedule of cash receipts from all sources including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections.

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 335,093	\$ 295,200	\$ 39,893	13.5
CHURCHILL	27,459	20,416	7,043	34.5
CLARK	16,148,937	13,670,792	2,478,145	18.1
DOUGLAS	3,173,294	3,095,466	77,828	2.5
ELKO	386,980	331,254	55,726	16.8
ESMERALDA	400	658	-258	-39.2
EUREKA	125	200	-75	-37.5
HUMBOLDT	66,412	55,121	11,291	20.5
LANDER	7,342	6,786	556	8.2
LINCOLN	2,492	1,167	1,325	113.5
LYON	5,773	3,808	1,965	51.6
MINERAL	45,706	45,304	402	0.9
NYE	16,953	8,911	8,042	90.2
PERSHING	6,507	6,348	159	2.5
STOREY	23,070	28,807	-5,737	-19.9
WASHOE	4,426,676	4,158,225	268,451	6.5
WHITE PINE	17,586	13,746	3,840	27.9
TOTAL	\$ 24,690,805	\$ 21,742,209	\$ 2,948,596	13.6

COMPARATIVE SCHEDULE

YEAR TO DATE

TOTAL COLLECTIONS

A schedule of cash receipts from all sources including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections.

Counties	JANUARY 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 1,242,502	\$ 1,060,261	\$ 182,241	17.2
CHURCHILL	144,977	116,450	28,527	24.5
CLARK	64,314,203	57,459,256	6,854,947	11.9
DOUGLAS	10,393,641	9,286,605	1,107,036	11.9
ELKO	1,473,814	1,312,449	161,365	12.3
ESMERALDA	5,450	5,033	417	8.3
EUREKA	2,400	2,325	75	3.2
HUMBOLDT	296,709	262,049	34,660	13.2
LANDER	45,063	42,924	2,139	5.0
LINCOLN	15,475	11,617	3,858	33.2
LYON	38,866	38,018	848	2.2
MINERAL	190,185	183,043	7,142	3.9
NYE	86,153	61,210	24,943	40.7
PERSHING	54,873	55,258	-385	-0.7
STOREY	173,352	167,305	6,047	3.6
WASHOE	17,343,640	15,071,473	2,272,167	15.1
WHITE PINE	76,745	72,404	4,341	6.0
TOTAL	\$ 95,898,048	\$ 85,207,680	\$ 10,690,368	12.5

COMPARATIVE SCHEDULE

4TH QUARTER

PERCENTAGE FEE COLLECTIONS

Cash receipts of percentage fees at the following rates:
 3% of first \$150,000 of revenue
 4% of next \$250,000 of revenue
 5.5% of revenue in excess of \$400,000

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 256,593	\$ 222,234	\$ 34,359	15.5
CHURCHILL	15,451	15,198	253	1.7
CLARK	11,794,322	10,449,251	1,345,071	12.9
DOUGLAS	2,409,933	2,327,689	82,244	3.5
ELKO	268,438	233,645	34,793	14.9
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	46,504	37,021	9,483	25.6
LANDER	4,770	4,243	527	12.4
LINCOLN	None	None	None	None
LYON	1,549	1,488	61	4.1
MINERAL	34,421	32,703	1,718	5.3
NYE	4,320	4,638	-318	-6.9
PERSHING	3,097	3,006	91	3.0
STOREY	17,135	15,452	1,683	10.9
WASHOE	3,466,804	3,070,593	396,211	12.9
WHITE PINE	7,355	5,916	1,439	24.3
TOTAL	\$ 18,330,692	\$ 16,423,077	\$ 1,907,615	11.6

COMPARATIVE SCHEDULE

YEAR TO DATE

PERCENTAGE FEE COLLECTIONS

Cash receipts of percentage fees at the following rates:
 3% of first \$150,000 of revenue
 4% of next \$250,000 of revenue
 5.5% of revenue in excess of \$400,000

Counties	JANUARY 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 749,242	\$ 648,797	\$ 100,445	15.5
CHURCHILL	52,771	49,797	2,974	6.0
CLARK	43,410,844	39,423,689	3,987,155	10.1
DOUGLAS	7,075,996	6,386,843	689,153	10.8
ELKO	819,336	701,428	117,908	16.8
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	121,915	100,275	21,640	21.6
LANDER	14,335	12,377	1,958	15.8
LINCOLN	None	None	None	None
LYON	5,581	4,974	607	12.2
MINERAL	113,830	107,940	5,890	5.5
NYE	19,288	19,610	-322	-1.6
PERSHING	9,064	9,556	-492	-5.1
STOREY	35,996	29,961	6,035	20.1
WASHOE	11,065,949	9,499,082	1,566,867	16.5
WHITE PINE	21,169	17,185	3,984	23.2
TOTAL	\$ 63,515,316	\$ 57,011,514	\$ 6,503,802	11.4

COMPARATIVE SCHEDULE

4TH QUARTER

ANNUAL LICENSE FEE COLLECTIONS

A schedule of cash receipts based on the number of games operated at variable rates as prescribed in NRS 463.380, which is distributed to the 17 counties on an equal basis.

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent*
CARSON CITY	\$ 33,500	\$ 17,700	\$ 15,800	
CHURCHILL	4,350	750	3,600	
CLARK	323,000	91,000	232,000	
DOUGLAS	76,100	86,550	-10,450	
ELKO	57,500	42,000	15,500	
ESMERALDA	None	None	None	
EUREKA	None	None	None	
HUMBOLDT	300	200	100	
LANDER	600	600	None	
LINCOLN	None	None	None	
LYON	300	100	200	
MINERAL	6,000	6,750	-750	
NYE	2,800	1,250	1,550	
PERSHING	750	750	None	
STOREY	100	100	None	
WASHOE	198,700	258,350	-59,650	
WHITE PINE	3,950	3,000	950	
TOTAL	\$ 707,950	\$ 509,100	\$ 198,850	

* Percentage increase/-decrease computations not meaningful.

COMPARATIVE SCHEDULE

YEAR TO DATE

ANNUAL LICENSE FEE COLLECTIONS

A schedule of cash receipts based on the number of games operated at variable rates as prescribed in NRS 463.380, which is distributed to the 17 counties on an equal basis.

Counties	JANUARY 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent*
CARSON CITY	\$ 57,650	\$ 21,150	\$ 36,500	
CHURCHILL	11,700	1,350	10,350	
CLARK	1,087,250	424,800	662,450	
DOUGLAS	123,900	92,550	31,350	
ELKO	80,000	63,850	16,150	
ESMERALDA	None	None	None	
EUREKA	None	None	None	
HUMBOLDT	7,350	7,550	-200	
LANDER	1,300	900	400	
LINCOLN	None	None	None	
LYON	700	200	500	
MINERAL	6,100	6,750	-650	
NYE	3,950	1,250	2,700	
PERSHING	850	1,600	-750	
STOREY	500	100	400	
WASHOE	426,250	444,950	-18,700	
WHITE PINE	5,100	3,400	1,700	
TOTAL	\$ 1,812,600	\$ 1,070,400	\$ 742,200	

* Percentage increase/-decrease computations not meaningful.

COMPARATIVE SCHEDULE

4TH QUARTER

FLAT FEE COLLECTIONS

A schedule of cash receipts from quarterly flat license fees for operating slot machines and games at variable rates as prescribed in NRS 463.373, 463.375, and 463.383, respectively.

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent*
CARSON CITY	\$ 24,258	\$ 29,053	\$ -4,795	
CHURCHILL	3,429	2,054	1,375	
CLARK	1,072,169	400,925	671,244	
DOUGLAS	115,354	158,141	-42,787	
ELKO	34,422	27,077	7,345	
ESMERALDA	400	375	25	
EUREKA	125	200	-75	
HUMBOLDT	7,931	7,040	891	
LANDER	1,622	1,617	5	
LINCOLN	1,225	875	350	
LYON	2,650	2,220	430	
MINERAL	3,255	3,354	-99	
NYE	3,065	1,979	1,086	
PERSHING	1,844	2,066	-222	
STOREY	5,772	4,467	1,305	
WASHOE	270,698	365,528	-94,830	
WHITE PINE	2,865	2,370	495	
TOTAL	\$ 1,551,084	\$ 1,009,341	\$ 541,743	

*Percentage increase/-decrease computations not meaningful.

COMPARATIVE SCHEDULE

YEAR TO DATE

FLAT FEE COLLECTIONS

A schedule of cash receipts from quarterly flat license fees for operating slot machines and games at variable rates as prescribed in NRS 463.373, 463.375, and 463.383, respectively.

Counties	JANUARY 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 121,023	\$ 99,562	\$ 21,461	21.6
CHURCHILL	18,633	13,288	5,345	40.2
CLARK	3,779,334	2,922,167	857,167	29.3
DOUGLAS	515,291	464,076	51,215	11.0
ELKO	139,216	122,499	16,717	13.6
ESMERALDA	1,800	1,650	150	9.1
EUREKA	800	725	75	10.3
HUMBOLDT	31,656	30,121	1,535	5.1
LANDER	6,510	6,854	-344	-5.0
LINCOLN	4,700	3,650	1,050	28.8
LYON	9,500	9,559	-59	-0.6
MINERAL	15,133	14,340	793	5.5
NYE	12,457	9,505	2,952	31.1
PERSHING	8,832	9,064	-232	-2.6
STOREY	22,789	23,043	-254	-1.1
WASHOE	1,417,374	1,317,823	99,551	7.6
WHITE PINE	10,891	11,138	-247	-2.2
TOTAL	\$ 6,115,939	\$ 5,059,064	\$ 1,056,875	20.9

COMPARATIVE SCHEDULE

4TH QUARTER

ENTERTAINMENT TAX COLLECTIONS

A schedule of cash receipts from taxes on entertainment at the rate of 10% of amounts paid for admission, merchandise, and refreshments or services when applicable. (NRS 463.401)

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 18,304	\$ 21,677	\$ -3,373	-15.6
CHURCHILL	1,895	2,014	-119	-5.9
CLARK	2,741,001	2,392,850	348,151	14.5
DOUGLAS	557,314	511,931	45,383	8.9
ELKO	24,916	19,934	4,982	25.0
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	8,702	9,368	-666	-7.1
LANDER	None	None	None	None
LINCOLN	None	None	None	None
LYON	None	None	None	None
MINERAL	2,029	2,048	-19	-0.9
NYE	750	1,044	-294	-28.2
PERSHING	549	526	23	4.4
STOREY	None	1,903	-1,903	-100.0
WASHOE	281,951	244,291	37,660	15.4
WHITE PINE	1,687	2,310	-623	-27.0
TOTAL	\$ 3,639,098	\$ 3,209,896	\$ 429,202	13.4

COMPARATIVE SCHEDULE

YEAR TO DATE

ENTERTAINMENT TAX COLLECTIONS

A schedule of cash receipts from taxes on entertainment at the rate of 10% of amounts paid for admission, merchandise, and refreshments or services when applicable. (NRS 463.401)

Counties	JANUARY 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 60,194	\$ 59,323	\$ 871	1.5
CHURCHILL	6,707	6,990	-283	-4.0
CLARK	9,681,689	8,986,714	694,975	7.7
DOUGLAS	1,433,346	1,176,644	256,702	21.8
ELKO	86,993	78,003	8,990	11.5
ESMERALDA	None	None	None	None
EUREKA	None	None	None	None
HUMBOLDT	26,651	27,132	-481	-1.8
LANDER	None	None	None	None
LINCOLN	None	None	None	None
LYON	None	None	None	None
MINERAL	7,017	7,243	-226	-3.1
NYE	3,513	3,622	-109	-3.0
PERSHING	1,956	1,991	-35	-1.8
STOREY	975	2,652	-1,677	-63.2
WASHOE	834,567	698,419	136,148	19.5
WHITE PINE	7,606	8,173	-567	-6.9
TOTAL	\$ 12,151,214	\$ 11,056,906	\$ 1,094,308	9.9

4TH QUARTER

SLOT MACHINE TAX COLLECTIONS

Annual levy on slot machines based on an 80% Federal tax credit. The annual rate is \$200 for each machine to be operated. Moneys collected under this tax structure are deposited in State educational funds as prescribed in NRS 463.385.

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent*
CARSON CITY	\$ 2,367	\$ 2,400	\$ -33	
CHURCHILL	750	400	350	
CLARK	121,669	56,378	65,291	
DOUGLAS	2,401	10,302	-7,901	
ELKO	1,250	8,568	-7,318	
ESMERALDA	None	283	-283	
EUREKA	None	None	None	
HUMBOLDT	450	417	33	
LANDER	300	300	None	
LINCOLN	1,267	267	1,000	
LYON	967	None	967	
MINERAL	None	450	-450	
NYE	4,018	None	4,018	
PERSHING	267	None	267	
STOREY	None	6,800	-6,800	
WASHOE	31,539	11,352	20,187	
WHITE PINE	None	150	-150	
TOTAL	\$ 167,245	\$ 98,067	\$ 69,178	

*Percentage increase/-decrease computations not meaningful.

YEAR TO DATE

SLOT MACHINE TAX COLLECTIONS

Annual levy on slot machines based on an 80% Federal tax credit. The annual rate is \$200 for each machine to be operated. Moneys collected under this tax structure are deposited in State educational funds as prescribed in NRS 463.385.

Counties	JANUARY 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent
CARSON CITY	\$ 247,839	\$ 226,885	\$ 20,954	9.2
CHURCHILL	53,584	45,000	8,584	19.1
CLARK	5,919,141	5,241,424	677,717	12.9
DOUGLAS	1,227,937	1,164,554	63,383	5.4
ELKO	345,800	345,253	547	0.2
ESMERALDA	3,650	3,283	367	11.2
EUREKA	1,600	1,600	None	None
HUMBOLDT	106,534	94,817	11,717	12.4
LANDER	22,000	22,767	-767	-3.4
LINCOLN	10,750	7,517	3,233	43.0
LYON	22,751	23,084	-333	-1.4
MINERAL	47,933	46,683	1,250	2.7
NYE	44,369	27,117	17,252	63.6
PERSHING	33,968	32,433	1,535	4.7
STOREY	111,151	111,300	-149	-0.1
WASHOE	3,355,969	2,906,111	449,858	15.5
WHITE PINE	29,700	31,818	-2,118	-6.7
TOTAL	\$ 11,584,676	\$ 10,331,646	\$ 1,253,030	12.1

COMPARATIVE SCHEDULE

4TH QUARTER

MISCELLANEOUS COLLECTIONS

A schedule of cash receipts of advance payments, race wire fees, manufacturer and distributor's fees, penalties, pari-mutuel tax, and miscellaneous items.

Counties	OCTOBER 1 THROUGH DECEMBER 31		INCREASE/-DECREASE	
	1976	1975	Dollar	Percent*
CARSON CITY	\$ 72	\$ 2,136	\$ -2,064	
CHURCHILL	1,584	None	1,584	
CLARK	96,776	280,389	-183,613	
DOUGLAS	12,192	853	11,339	
ELKO	454	29	425	
ESMERALDA	None	None	None	
EUREKA	None	None	None	
HUMBOLDT	2,525	1,075	1,450	
LANDER	50	25	25	
LINCOLN	None	25	-25	
LYON	307	None	307	
MINERAL	None	None	None	
NYE	2,000	None	2,000	
PERSHING	None	None	None	
STOREY	63	85	-22	
WASHOE	176,984	208,110	-31,126	
WHITE PINE	1,729	None	1,729	
TOTAL	\$ 294,736	\$ 492,727	\$ -197,991	

* Percentage increase/-decrease computations not meaningful.

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GCB - Economic Research

SCHEDULE OF

LICENSES IN FORCE

Licenses in force during the calendar quarter covered by this report. Schedule does not include 62 slot machine operators, 68 manufacturers and distributors, 1 race wire, and 1 pari-mutuel.

Counties	Restricted Slots	Nonrestricted Slots Only	Nonrestricted Games & Slots	Total
CARSON CITY	29	2	6	37
CHURCHILL	16	-	5	21
CLARK	492	31	94	617
DOUGLAS	19	-	13	32
ELKO	31	3	13	47
ESMERALDA	5	-	-	5
EUREKA	3	-	-	3
HUMBOLDT	26	1	6	33
LANDER	8	-	5	13
LINCOLN	14	-	-	14
LYON	20	-	3	23
MINERAL	9	-	3	12
NYE	16	-	4	20
PERSHING	8	2	2	12
STOREY	9	6	2	17
WASHOE	266	12	54	332
WHITE PINE	17	-	3	20
TOTAL	988	57	213	1,258

SCHEDULE OF

LICENSED GAMES

Games licensed during the calendar quarter covered by this report. "Other Games" includes race book, sports pool, wheel of fortune, baccarat, bingo, etc.

Counties	Craps	Roulette	"21"	Keno	Other	Total
CARSON CITY	4	2	39	3	6	54
CHURCHILL	2	0	14	2	1	19
CLARK	203	91	1,091	47	141	1,573
DOUGLAS	31	16	260	11	19	337
ELKO	10	3	76	5	-	94
ESMERALDA	-	-	-	-	-	-
EUREKA	-	-	-	-	-	-
HUMBOLDT	3	-	16	2	2	23
LANDER	-	1	7	-	-	8
LINCOLN	-	-	-	-	-	-
LYON	-	-	4	-	1	5
MINERAL	2	-	11	2	-	15
NYE	3	1	9	1	-	14
PERSHING	1	1	2	-	-	4
STOREY	-	-	3	-	-	3
WASHOE	79	55	575	41	30	780
WHITE PINE	1	2	14	-	-	17
TOTAL	339	172	2,121	114	200	2,946

SCHEDULE OF

LICENSED TABLES

Tables licensed during the calendar quarter covered by this report.

Counties	Pan	Poker	Other	Total
CARSON CITY	-	4	-	4
CHURCHILL	-	3	-	3
CLARK	31	163	-	194
DOUGLAS	3	12	-	15
ELKO	-	2	-	2
ESMERALDA	-	-	-	-
EUREKA	-	-	-	-
HUMBOLDT	-	4	-	4
LANDER	-	1	-	1
LINCOLN	-	-	-	-
LYON	-	2	-	2
MINERAL	-	4	-	4
NYE	-	-	-	-
PERSHING	-	1	-	1
STOREY	-	-	-	-
WASHOE	4	39	-	43
WHITE PINE	1	-	-	1
TOTAL	39	235	-	274

SCHEDULE OF

LICENSED SLOT MACHINES

Slot machines licensed during the calendar quarter covered by this report "Other Machines" includes pinball, "21", craps, keno, race horse, etc.

Counties	1¢	5¢	10¢	25¢	50¢	\$1.00	Other	Total
CARSON CITY	-	864	98	211	13	65	13	1,264
CHURCHILL	2	197	16	45	-	1	-	261
CLARK	292	18,236	1,862	5,174	126	1,171	1,556	28,417
DOUGLAS	2	3,025	825	1,243	163	227	32	5,517
ELKO	10	1,216	146	260	13	46	19	1,710
ESMERALDA	-	10	1	5	-	-	-	16
EUREKA	-	5	-	3	-	-	-	8
HUMBOLDT	-	314	60	112	8	24	1	519
LANDER	1	56	14	26	-	5	7	109
LINCOLN	-	27	9	17	1	-	-	54
LYON	-	60	17	33	2	1	1	114
MINERAL	-	158	28	43	3	4	-	236
NYE	-	105	15	52	2	2	10	186
PERSHING	2	79	23	28	2	2	5	141
STOREY	4	320	36	124	5	13	2	504
WASHOE	53	9,670	2,145	2,805	359	757	118	15,907
WHITE PINE	1	111	10	24	-	1	1	148
TOTAL	367	34,453	5,305	10,205	697	2,319	1,765	55,111

EXHIBIT C

Statement of William K. Woodburn

March 16, 1977

A.B. 210 is, simply stated, a bill providing for the orderly distribution of the assets of a dissolved corporation to its creditors and to its stockholders.

A dissolved corporation is very similar to a deceased person. The corporation is no longer in existence but there are creditors and stockholders entitled to payment of claims and distribution of money. Under our Probate Act, notice to creditors is given by publication and a creditor has 90 days in which to file a claim against the estate. Under A.B. 210, notice to creditors is given not only by publication but also by mailing of notice to all of the creditors known to the corporation, with a further provision that if a creditor does not file a claim within the six months minimum prescribed time, and the court finds there was good cause for the failure to file a claim, then the claim may be reinstated.

There are three points I would like to make:

1) Under the present law, no distribution of the assets of a dissolved corporation can be made by the trustees, without the trustees incurring liability, until the six year statute of limitations has expired. Under A.B. 210 creditors' claims can be paid and distribution made to stockholders at any time after the creditors' claims have been filed within the prescribed time. This bill is of extreme benefit to creditors as well as to stockholders of a dissolved corporation. It provides for the prompt payment of claims and for an orderly and swift distribution and would avoid litigation.

2) Under A.B. 210 creditors will not have rights taken away--they will merely have to act on those rights within a reasonable time. Indeed, A.B. 210 gives creditors rights of notice and opportunity to have their claims considered by the trustees without litigation--rights creditors do not presently enjoy.

3) A.B. 210 further protects creditors' rights by advising them of the corporate dissolution. Presently, without such notice, creditors may not be aware of the dissolution of the corporation and they delay asserting their claims only to find that distribution has been made and there are no assets from which to satisfy their claims.

In summary, A.B. 210 provides a needed certainty to our corporate law which will assist in attracting corporations to Nevada, will grant creditors benefits and rights which they do not presently have, and will permit trustees to make prompt payment of creditors' claims and an orderly and swift distribution of the dissolved corporation's assets. This problem has been faced in other states, with many states taking the identical approach which A.B. 210 proposes. In fact, some states, such as California, have adopted an even more stringent requirement for creditors' submission of claims.

A.B. 210 will add certainty to our corporate law that will make our state an even more attractive one for incorporation to the benefit of Nevada. This is public interest legislation.

I have been advised by Mr. Jordan Crouch, Executive Secretary of the Nevada Bankers Association, that the Association has no objection whatsoever to the proposed Act.

In conclusion, A.B. 210 has the support of Secretary of State Swackhamer as excellent and needed legislation to supplement our corporate law.

EXHIBIT D

MEMORANDUM

To: The Assembly Judiciary Committee
From: William K. Woodburn

SUBJECT: A.B. 210

March 16, 1977

I

INTRODUCTION

A.B. 210 was introduced as a part of a group of bills submitted by Secretary of State Swackhamer and prescribes creditors' rights upon dissolution of corporations.

A.B. 210 would amend Chapter 78 of NRS by adding provisions which would permit the trustees of dissolved corporations to give notice, by publication and by mail, requiring all creditors of the dissolved corporation to present their claims in writing to the trustees for disposition. (Sections 3 and 4). Any creditor or claimant who failed to respond within the time allowed (not less than six months) following notice would be barred from suing on the claim. Any creditor or claimant whose submitted claim was rejected by the corporation would have 60 days within which to commence an action on the claim or be barred from suing. (Section 5).

Persons who did not file their claim or commence an action within the time allowed could obtain relief by applying to the district court where for good cause shown the Court could permit them to file or to commence an action. (Section 6).

II

PRESENT LAW

NRS 78.580 permits a corporation to dissolve by a majority vote of the stockholders. If a majority of the stockholders approve and a copy of the resolution is filed with the Secretary of State, the corporation is dissolved. Once dissolved, the corporation is no longer in existence for the purpose of continuing the business for which it was established.

Under NRS 78.590, the trustees of the dissolved corporation have a duty to collect the outstanding debts, sell the property of the corporation and divide the money among the stockholders after paying the corporation's liabilities and obligations. However, NRS 78.595 also makes the trustees of a dissolved corporation jointly and severally responsible for the debts owing by the corporation at the time of the dissolution.

The absence of a method for identifying and processing creditors' claims in an expeditious manner places the liquidating trustees in the awkward position of fulfilling their duty to pay creditors and stockholders in a timely manner without incurring personal liability for failure to pay claims that might possibly be presented several years after the dissolution. Thus, the trustees must determine when to distribute the moneys of the dissolved corporation with no method for identifying and fixing the total amount of creditors' claims against the dissolved corporation.

Presently this delay may be as much as six years for a claim based upon a written contract; four years on an oral

contract; three years on a statutory liability; two years on a personal injury claim. From these time periods, it is apparent that with the present open-ended claim period comes a problem of possible six-year delays and periods of contingent liability for a dissolved corporation and its trustees. Additionally, even if an action is commenced six years after dissolution, the current court calendar might not bring resolution for three to four years after the filing of an action. During that time period, stockholders and possibly other creditors will have been denied money that is rightfully theirs because of the trustees' inability or reluctance to distribute without knowing whether all creditors' claims have been satisfied or provided for by reserve account.

III

EFFECT ON OTHER STATUTORY PROVISIONS

The principal effect of A.B. 210 will be to reduce the time period in which creditors or claimants may commence an action on their claims. The bill will not deny creditors or claimants their right to commence an action, but only will require them to do so possibly sooner than anticipated in order to expedite the dissolution process. Obviously, known creditors, such as banks and suppliers, will be easily identified and their claims processed quickly. The difficulty arises from unidentified claimants who may present claims several years after dissolution or with known claimants who have elected not to commence an action until the very end of the limitations period. The liquidating trustees must guess as to possible claims and guess

as to whether a known claimant is either going to sue or drop the claim. In order to protect themselves, the trustees must hold back sufficient money to satisfy these potential claims. The delay in payment to stockholders and creditors may exceed six years.

It is helpful to consider an example of how the proposed process would work. If a corporation dissolved on July 1, 1977 and elected to use this procedure, the trustees would notify all creditors and claimants. If the trustees elected to use a six-month period (the minimum time allowed), the creditors of the dissolved corporation would have to submit their claims by January, 1978. All claims accepted by the corporation would be paid then or funds set aside for future payment. The statute of limitations for these claims would be unaffected. Any claims rejected by the corporation would bring notice to the claimant who would then have 60 days to commence an action.

Thus, in this example, a person with a rejected personal injury claim against the corporation whose injury occurred July 1, 1976 would have the statutory period for commencing an action reduced from two years to one year and eight months under A.B. 210. A person with a rejected written contract claim based on a contract breach occurring July 1, 1972 would have the statutory period for commencing an action reduced from six years to five years and eight months. The only persons affected to any degree would be those whose disputed claim arose just before the dissolution and even then the only burden is for a claimant to act rather than sit on his legal rights to the detriment of others.

Additionally, should a claimant miss the notice or fail to commence an action within the required time the district court could grant relief for good cause and permit the action.

IV

SIMILAR NEVADA STATUTORY PROVISIONS

Nevada corporation law presently provides such a method for resolution of claims in a corporate insolvency proceeding. NRS 78.675 requires all creditors to present and make proof to the trustee of their respective claims against the corporation within six months from the date of appointment of the trustee. All creditors and claimants failing to do so are barred from participating in the distribution of the assets of the corporation.

Nevada probate law contains a provision to protect the estate and heirs that is somewhat analagous to the dissolved corporation situation. NRS 147.040 requires all persons having claims against the deceased to file their claims with the clerk of the court within 90 days of publication of notice to creditors. If a claim is not filed within 90 days, the claim is forever barred and the claimant may not sue on the claim. Furthermore, when a claim is rejected in whole or in part, the claimant must bring suit within 60 days or again be forever barred from suing on the claim.

It is apparent from the above provisions that the effect of A.B. 210 on the Statute of Limitations period will be no different than that under our Probate Code and under our corporate insolvency provisions. A.B. 210's purpose is identical

to the purpose behind those two provisions, i.e., to have claimants come forward and present their claims so that the legal obligations of the liquidating trustees, insolvency trustees, or executors and administrators can be fulfilled in a reasonable amount of time. The beneficiaries of such a procedure will be the creditors and stockholders of the dissolving corporation.

V

OTHER STATE ENACTMENTS

The provisions of A.B. 210 are not unique. As can be seen from the attachments to this memorandum, at least five other states, New York, New Jersey, Connecticut, Michigan and Arkansas, have enacted nearly identical provisions. Other jurisdictions, including California, accomplish the same objective by imposing more stringent requirements on creditors through court supervision of the dissolution process. In California, the court enters an order requiring all persons interested to come forward and present their claims. Any person claiming to be interested as a creditor may appear before the court at any time before the expiration of thirty days from the publication of the notice. If a person fails to appear, that person's claim is barred.

VI

SUMMARY

Under our present corporation law, creditors of dissolved corporations have no right to notice of dissolution and call for their claims; trustees have no method of ascertaining and fixing the extent of claims or possible claims against the dissolved corporation; and stockholders and creditors experience unnecessary delay in distribution or payment to them of the money of the corporation.

A.B. 210 would provide a process requiring creditors or claimants to come forward in a timely fashion to assist in the expeditious dissolution of the corporation and payment of all creditors and stockholders in a reasonable time. Furthermore, trustees would be relieved of the uncertainty in distribution and would be able to fulfill their duties responsibly and quickly.

The effect on those few creditors or claimants with claims arising just prior to the dissolution would be to reduce the period in which they could commence an action, but the benefit to be derived for the majority of creditors and stockholders appears to outweigh the inconvenience to those few.

OTHER STATE ENACTMENTS

New York Business Corporation Law §1007, provides

as follows:

"At any time after dissolution, the corporation may give a notice requiring all creditors and claimants, including any with unliquidated or contingent claims and any with whom the corporation has unfulfilled contracts, to present their claims in writing and in detail at a specified place and by a specified day, which shall not be less than six months after the first publication of such notice. Such notice shall be published at least once a week for two successive weeks in a newspaper of general circulation in the county in which the office of the corporation was located at the date of dissolution. On or before the date of the first publication of such notice, the corporation shall mail a copy thereof, postage prepaid and addressed to his last known address, to each person believed to be a creditor of or claimant against the corporation whose name and address are known to or can with due diligence be ascertained by the corporation. The giving of such notice shall not constitute a recognition that any person is a proper creditor or claimant, and shall not revive or make valid, or operate as a recognition of the validity of, or a waiver of any defense or counterclaim in respect to any claim against the corporation, its assets, directors, officers, or shareholders, which has been barred by any statute of limitations or become invalid by any cause, or in respect of which the corporation, its directors, officers or shareholders has any defense or counterclaim. . . .

* * *

Memorandum

Any person whose claim is, at the date of the first publication of such notice, barred by any statute of limitations is not a creditor or claimant entitled to any notice under this Section of Section 1008. The claim of any such person and all other claims which are not timely filed as provided in such notice except claims which are the subject of litigation on the date of the first publication of such notice, and all claims which are so filed but are disallowed by the court under Section 1008, shall be forever barred as against the corporation, its agents, directors, officers and shareholders, except to such extent, if any, as the court may allow them against any remaining assets of the corporation in the case of the creditor who shows satisfactory reason for his failure to file his claim and so provided."

New Jersey Business Corporation Act §14A:12-12

provides:

"At any time after a corporation has been dissolved, the corporation, or a receiver appointed for the corporation pursuant to this chapter, may give notice requiring all creditors to present their claims in writing. Such notice shall be published three times, once in each of two consecutive weeks, in a newspaper of general circulation in the county in which the registered office of the corporation is located and shall state that all persons who are creditors of the corporation shall present written proof of their claims to the corporation or the receiver, as the case may be, at a place and on or before a date named in the notice, which date shall not be less than six months after the date of the first publication.

(2) On or before the date of the first publication of the notice, the corporation or the receiver, as the case may be shall mail a copy of the notice to each known creditor of the corporation.

* * *

Section 14A:12-13. Any creditor as defined in §§14A:12-12(3) who does not file his claim as provided

Memorandum

in the notice given pursuant to §14A:12-12, and all those claiming through or under him, shall be forever barred from suing on such claim or otherwise realizing upon or enforcing it, . . .

* * *

Section 14A:12-14. If the corporation, or the receiver of a corporation appointed pursuant to his chapter, rejects in whole or in part any claim filed by a creditor, the corporation or the receiver, as the case may be, shall mail notice of such rejection to the creditor. If the creditor does not bring suit upon such claim within 60 days from the time such notice was mailed to him, the creditor and all those claiming through or under him shall, except as otherwise provided in this chapter, be forever barred from suing on such claim or otherwise realizing upon or enforcing it."

Michigan Business Corporation Act, §841 provides:

"After a corporation has been dissolved, the corporation, or receiver appointed for it pursuant to this chapter, may give notice requiring all creditors to present their claims in writing. The notice shall be published once in each of three consecutive weeks in a newspaper in the county in which the registered office of the corporation is located. The notice shall state that all persons who are creditors of the corporation shall file their claims in writing with the corporation or the receiver at a place on or before a date named in the notice, which date shall be not less than six months after the date of the first publication.

Section 842. On or before the date of first publication of the notice prescribed in §841, the corporation or the receiver shall mail a copy of the notice to each known creditor of the corporation.

* * *

(2) Except as otherwise provided in this act a creditor who does not file his claim as required by the notice, and all persons claiming

Memorandum

through or under him, are forever barred from suing on the claim or otherwise realizing upon or enforcing it.

Section 843. If the corporation or the receiver of a corporation appointed pursuant to this chapter, rejects in whole or in part a claim filed by a creditor, the corporation or the receiver shall mail notice of the rejection to the creditor. The notice shall state that if the creditor does not commence an action on the claim within 60 days after the notice was mailed to him, the creditor and all persons claiming through or under him, except as otherwise provided in this chapter, are forever barred from suing on the claim or otherwise realizing upon or enforcing it. Failure to commence such an action is a bar to enforcement of the claim."

NEVADA INDUSTRIAL COMMISSION

RICHARD J. BORTOLIN
APPEALS OFFICER
CAPITAL PLAZA
1050 EAST WILLIAM STREET
SUITE 450
CARSON CITY, NEVADA 89710
(702) 885-8289



March 15, 1977

Robert R. Barengo, Assemblyman
Assembly District No. 29
P. O. Box 1074
Reno, NV 89504

Dear Mr. Barengo:

Inasmuch as, the Appeals Officer has been precluded from awarding attorney fees, the Appeals Officer has no experience factor upon which he can estimate attorney fees. I have reviewed the cases I have determined from September of 1973 to this date. From my review, it is apparent to me that certain cases involved very little time on the part of the attorney and other cases involved a great deal of time; and I am convinced that I would have to work with the matter of attorney fees before I could render a sound opinion relative to estimated attorney fees to be awarded by the Appeals Officer. However, what I can absolutely state is that the Appeals Officer records show that 459 cases have been disposed of as of this date, as follows:

160 cases remanded
143 cases affirmed
59 cases reversed
72 cases settled
25 cases withdrawn

Based upon this breakdown of cases over a period of three and one-half years, I would estimate there would be approximately eighty-three cases per year where attorney fees could possibly be awarded; and utilizing the "Bulletin", a copy of which is attached hereto, issued on March 1, 1977, by the California Workers' Compensation Institute; wherein; they have given an average attorney fee per case of \$594.00, attorney fees to be awarded by the Appeals Officer could total a sum as high as \$49,302.00 for fiscal year 1977-78 and \$59,400.00 for fiscal year 1978-79.

Robert R. Barengo
Page Two
March 15, 1977

I would also suggest that you consider an amendment to Subsection 1. of AB 160, a copy of which is attached hereto. The reason for this amendment to the bill would be to hopefully avoid or preclude the practice of circumventing the Nevada Industrial Commission to come before the Appeals Officer for an attorney fee.

Very truly yours,

APPEALS OFFICER


Richard J. Bortolin

RJB:klk

Enclosures

BULLETIN

201 Sansome Street, San Francisco, California 94104, (415) 981-2107

YK

March 1, 1977

No. 77-7

Workers' compensation litigation is a \$200 million annual business in California, according to a recent CWCI study that measured the out-of-pocket expenses associated with applications filed with the Workers' Compensation Appeals Board.

Average legal expense was \$1681 per case, a total that includes \$633 in defense costs, \$424 in applicant medical-legal expense, and a \$594 fee to the applicant's attorney. The per-case average multiplied by the 107,000 applications expected to be filed this year, plus the WCAB budget, approaches \$200 million annually -- more than was paid last year to doctors to treat injured workers.

Fees to defense attorneys, both staff and outside counsel, averaged \$394, a third less than their applicant counterparts. The balance of average defense costs consisted of \$155 for medical-legal expense and \$114 in other charges (investigations, depositions, etc.).

The study is based on data collected on 2643 cases resolved by WCAB decisions during a six-week period ending last June. Twenty-nine per cent of the cases (768) resulted in a Findings & Award, 62 per cent (1625) were resolved by Compromise & Release, and the remaining 250 cases ended in dismissals or Take Nothing orders. The sample included 1906 specific and 737 cumulative injury cases, and back injuries accounted for 46 per cent of all cases.

One of the more interesting results was the finding that legal expenses of C&R settlements are nearly 20 per cent higher than similar costs of cases resulting in an F&A (\$1787 versus \$1495). Defense dollars averaged 9 per cent more per case, and combined applicant costs were 27 per cent higher.

Separate tabulations were made for the cumulative injury cases, with both defense and applicant legal expenses about 4 per cent less than the cost of litigating a specific injury claim. However, the figures are understated because the defense costs reflects only the average spent by one defendant. Earlier CWCI studies determined there are 2.3 defendants in the typical cumulative injury claim, and when this factor is taken into account the average out-of-pocket legal expense of a cumulative injury case is \$2448, 46 per cent more than costs associated with a specific injury claim. The cumulative cases also required an average of 1.86 appearances before the Appeals Board, up 11 per cent from the appearances in specific injury litigation.

AT/grp

WC

Amend section 1, page 1, delete lines 3 through 10 and insert:

"1. An attorney who represents any person at a hearing conducted by an appeals officer may be entitled to receive a reasonable attorney's fee to be fixed by the appeals officer provided the decision of the Appeals Officer is not based upon new evidence that could have been obtained by claimant for presentation to the Nevada Industrial Commission at the time the matter had been heard by the Nevada Industrial Commission; and provided the claimant receives compensation not awarded by the commission or receives an increase in the amount of compensation awarded by the commission. Any attorney's fee which is fixed by the appeals officer is subject to review and modification by a district court upon the filing of a petition by the attorney."

Amend section 1, page 1, line 20, delete "commission,".

Amend section 1, page 2, line 1, delete "commission,".

Amend section 2, page 2, delete 6 and 7 and insert:

"An attorney who represents any person at a hearing conducted by an appeals officer or in the appeal taken from a determination of the appeals officer is entitled to a reasonable attorney's fees".

Amend section 2, page 2, line 8, delete "commission,".

Amend the title on the second and third lines by deleting:

"Nevada industrial commission,".