

The meeting was called to order at 2:05 p.m. Senator Neal in the Chair.

PRESENT: Senator Neal, Chairman
Senator Glaser, Vice- Chairman
Senator Faiss
Senator Jacobsen
Senator Lamb
Senator Sloan

OTHERS

PRESENT: Mr. Ray Knisley, Nevada resident
Senator Thomas R.C. Wilson, Washoe District No. 1
Mr. Ken Kjer, Douglas County Commissioner
Mr. John Gianotti, Vice President, Harrah's Lake Tahoe
Assemblyman John Polish, District 35
Mr. Ross Prince, White Pine County
Mr. John Macdonald, No. Nevada Apicultural Society
Mr. Ollie E. Byrd, Jr., Hobbyist Beekeeper
Mr. Jim Fulpert, Embryonic Beekeeper

Senator Neal announced that a quorum was present and the committee would begin taking testimony on S.B. 323, S.B. 276, and S.B. 277.

S.B. 323 - Limits gaming in the Tahoe Basin.

Mr. Ray Knisley, long time resident of Nevada who was appointed by the Legislative Commission to work with the Nevada Legislators on the provisions of the Lake Tahoe Compact, explained that the purpose of this bill is to incorporate into the Nevada law the provisions which have been agreed upon by the Ad Hoc Committee which is to limit gaming in the Lake Tahoe Basin. The bill will provide that gaming be restricted to the places where it is now conducted or in those places where it enjoys a Nevada permit, including those presently in litigation. There is a provision in the bill to protect the slot machines so that it will not interfere with the slot machine operation when it is pertinent to another type of business.

He stated that the bill provides than an existing casino may be remodeled but it may not be increased in volume. Any remodeling changes will be subject to the Tahoe Regional Planning Agency. It also provides that gaming may only be conducted on the floors where it is now operating or, in the case of those not yet built, where permitted. Any remodeling of the public rooms on those floors where gaming is conducted must be submitted to the Nevada Tahoe Regional Planning Agency for approval. This will assure that there will be no expansion upwards or downwards of gaming areas.

Senator Lamb asked if this bill was intended to "grandfather" in all gaming licensees prior to January 1, 1979. Mr. Knisley replied that the intent was to grandfather in all those existing licensees.

Senator Thomas R.C. Wilson asked to answer Senator Lamb's question. He stated that the "grandfather" is limited to what has been built or has been permitted by the TRPA. He explained that there are two reasons for doing this and both are in keeping with the draft put together by the Ad Hoc Committee to put a ceiling on gaming. There is a January 1, 1979 cut off date in the draft. Assuming that a negotiated compact is worked out, both states have to agree to the compact formerly, the Congress has to ratify it, and that might take quite some time. There would be a legal hiatus between passage and ratification by Congress. This bill would eliminate that hiatus by providing a unilateral policy decision by this State to put the lid on gaming. This will also help in the negotiations with California.

Senator Wilson felt that Nevada has taken a positive and responsible step as far as gaming is concerned by stating that the Basin can not tolerate any more casino-hotels. He stated that there is a great deal of development potential still on the California side, much more so than on the Nevada side. The Ad Hoc Committee is hopeful that by proceeding unilaterally, the gaming issue can be removed from the negotiation discussions. California has been informed previously of the position of Nevada with respect to the limitation of gaming, and yet in meetings and editorials Nevada gaming is blamed for the failure to reach an agreement. So this bill would serve the legal issue, and also the practical issue by removing the issue of gaming out of the negotiations.

Senator Lamb asked if time is of the essence with this bill. Senator Wilson said it is.

Senator Neal stated that he assumed the language in Line 27 through 30 on Page 2, was to limit the areas in which gaming is to be found on January 1, 1979. He was concerned that the words "Within these limits, the expansion of gaming ..." might be construed to be permissive. Senator Wilson felt that the limits would refer to the limits previously described in subsections a), b) and c). Senator Sloan asked if that provision would allow restaurants and lounges to be expanded to put in more games. Mr. Knisley explained that it is customary in Tahoe, because of the seasonal aspect of tourism, that the casinos expand in the summer and contract in the winter. They cut down the number of slot machines and gaming tables and store them to provide floor space for ski rental equipment and merchandising. Therefore, they need this flexibility in the statutes.

Senator Glaser asked Senator Wilson if the Ad Hoc Committee approves the approach taken by this bill. Senator Wilson stated that this bill is taken from a draft discussed and approved by the committee unanimously.

Mr. Ken Kjer, Chairman of the Douglas County Commission, asked how the determination of what gaming was in existence on January 1, 1979 would be made. He stated that the gaming commission knows how many slot machines are being used, but they do not know the public area inside the casino. He asked if, as a practical matter, it would be up to Douglas County to measure the square footage. He felt that if the bill were passed as it is, there could be arguments with the agencies about who is to make the determination of what existed as of January 1, 1979.

Senator Wilson responded to Mr. Kjer's question by stating that the responsibility would be jurisdictional as to the Nevada TRPA so that either the county commission or the Nevada TRPA would have to go take a look and determine what the status quo is. Senator Lamb felt that the bill should spell out whose responsibility it is to make the determination. Senator Wilson felt that the Nevada TRPA would have to have the answer to what the status quo is before it approves any expansion. So clearly, the Nevada TRPA has the primary responsibility.

Senator Lamb moved that the Chairman of the Natural Resources Committee write a letter of intent to the Nevada TRPA stating that they are to determine the areas where gaming existed as of January 1, 1979.

Seconded by Senator Glaser.

Motion carried.

Mr. John Gianotti, Vice-President of Harrah's at Lake Tahoe, spoke against taking any action on this bill before the gaming industry has a chance to review the bill. He stated that he had just then gotten a copy of the bill and wanted the gaming industry to have an opportunity to testify before the committee at another date with any suggested changes the industry might have.

Senator Neal explained that the reason why the meeting was scheduled on such short notice was because it is imperative upon the Legislature to state as a policy matter what in its opinion should be done as far as gaming at Lake Tahoe is concerned. The Legislature is required to take action because if the negotiations with California are dragged on any longer, there is a good chance that another casino could come in.

Mr. Gianotti stated that the very people who are involved in this measure are the people who should have some input in this bill. He remarked that he does not remember any other time when an issue of this magnitude was not scheduled for hearing with enough notice to allow the people involved to discuss the bill. Senator Sloan stated that he shares Mr. Gianotti's concern since today was the first time he has had a chance to review the bill also.

Senator Wilson asked to make two observations. Firstly, the language in the bill was taken in block from the language of the latest draft by the Ad Hoc Committee. The Ad Hoc meetings were open to the public and attended by representatives of those affected by the provisions of the TRPA Compact. This language should be no surprise, and if anything, the bill is about 3 weeks late. Secondly, the intent of the tender of amendments to the TRPA Compact is to track with a parallel Nevada TRPA bill which would trigger into effect in case either of the states withdraw from TRPA.

Mr. Gianotti remarked that he is aware of what Senator Wilson had said and the gaming industry did have the opportunity to attend the public hearings between the two states. However, there are questions as to the "magic date" of January 1, 1979 which they have not had an opportunity to speak to. Another date in July was mentioned in regard to summer operations which the gaming industry would like to speak to.

Senator Lamb asked Mr. Gianotti if he felt that holding this bill over until Tuesday would jeopardize the bill in any way. Mr. Gianotti answered that he has no such fears.

Senator Neal asked Mr. Gianotti what he felt about the concept behind the bill. Mr. Gianotti answered that he supports the concept but is not in sympathy with the dates set out in the bill.

Senator Jacobsen agreed with Mr. Gianotti's objections of not having enough time to review the bill. He stated that he is a member of the Ad Hoc Committee, is listed as one of the sponsors of the bill, and wholeheartedly supports the concept. However, he has recently asked his constituents in Douglas County to back off and allow the Ad Hoc Committee to work. He felt he would be violating their trust by passing this out because it would signify a trend to "ram" something through the Legislature. He felt the committee owes it to the gaming industry that they be heard since they are the ones who will be affected by the passage of this bill.

Senator Lamb moved that S.B. 323 be held until next Tuesday, March 20, 1979, at 12:00 noon or adjournment.

Seconded by Senator Faiss.

Motion carried.

Senator Neal closed the hearing on S.B. 323 until Tuesday, March 20th at 12:00 noon or adjournment.

S.B. 276 - Requires consideration of project on Steptoe Creek in White Pine County for allocation of money.

Senator Glaser explained that this bill is a companion bill to S.B. 195 which this committee passed over to the Finance Committee. In the preamble of S.B. 195, the Legislature recognizes the need for additional facilities to provide water-related recreational opportunities to the population, and that these should benefit the State's basic industry of agriculture. Senator Glaser again stressed the need to develop additional sources of revenue besides gaming. He stated that this bill, S.B. 195, and another bill in the Assembly, are attempts to diversify the recreational base of the State and get away from the dependency of gaming as the prime economic contributing factor. S.B. 276 recognizes that there is a project on Steptoe Creek and the engineering is 90% complete. The area would be a fine fishing, water skiing and recreational project.

Mr. John Polish, Assemblyman representing District 35, concurred with the testimony given by Senator Glaser. He stated that in 1975 there was a survey made of the origin of the tourists and it was found that 85% of the tourists visiting Nevada came from the Los Angeles area. The survey proved that recreation is an integral part of the State's economy.

Mr. Ross Prince, representing White Pine County, stated that there is a small reservoir on Cave Creek which is a tributary to Steptoe Creek, and there is more fishing done there than in any other part of the State. There is presently talk of putting in a caretaker because of the possibility of overuse of the area. There have been studies made to determine where a recreational area might be started and they indicated that the project at Steptoe would triple the area for water recreation over what is now on the Cave Lake area.

Senator Neal asked how the \$5 million figure was arrived at. Senator Glaser explained that the project cost at the present time is \$1.9 million. However, it can not be determined what inflation will do to that figure by the time this bill gets passed, so when the bill was drafted the cost was determined at the upper limit. The Finance Committee will cut the figure down when and if passed. Senator Glaser again reminded the committee that this bill would hinge on the passage of S.B. 195.

Senator Jacobsen stated that he wholeheartedly supports this bill, but felt that the committee should consider the problems related to recreation areas. He cited the fighting and near riots recently occurring at Lake Lahontan and Lake Tahoe. He felt the committee should consider the control of these situations. He also asked Mr. Prince if the bill considers multiple use of the resource, and how it would be used. Mr. Prince answered that the ranch down below the recreation area would still function and would be using the water.

Senator Glaser pointed out that in S.B. 276 there are some cost sharing provisions to make the project more palatable to the review committee which S.B. 195 refers to. White Pine County, which generates about \$50,000 in room tax every year, could approach the commission for financing to maintain the dam once built and then put back into the revolving fund whatever they feel they could allocate out of their room tax. The money does not have to be matched dollar for dollar, repayment would depend on the economic situation and the ability of the county to repay.

Senator Neal closed the hearing on S.B. 276.

S.B. 277 - Establishes fees for registration of apiaries and prohibits establishment of apiaries in certain locations.

Senator Neal announced that the introducer, Senator Carl Dodge, asked that this bill be held over until next week before a final vote is cast.

Mr. John Macdonald, Northern Nevada Apicultural Society, stated that they are in support of all the changes in the bill except Section 3 which sets limitations on the placement of bee hives. He cited statistics showing what the mileage limitation would mean in terms of the placement of bee hives. He remarked that by careful placement, a beekeeper with 100 hives could control 1,925 sections of land, which would be an area 40 x 48 miles long.

Mr. Macdonald explained that most of the bees in Nevada are used for honey production and few are used for pollination of crops. The state imports from California about 43,500 colonies of bees for pollination. This bill only addresses the pollination of seed crops, there is no mention of crops such as melons and fruit trees which are dependent on bees for pollination. There is also no provision in this bill for the transfer of apiaries from one apiarist to another, even if mutually desired.

Mr. Macdonald felt the bill would only serve those apiarists who could be considered commercial, and it would be difficult for new commercial beekeeping operations to get started in Nevada. It would also make it difficult for the approximately 270 hobbyist beekeepers to find locations for their hives other than in their own yards. He felt this bill is a prime example of very restrictive legislation and is inimical to the principles of free enterprise. He suggested deleting Section 3 from the bill.

Mr. Ollie E. Byrd, Jr., a hobbyist beekeeper, spoke against Section 3 of the bill. He felt the bill would give out-of-state beekeepers the opportunity of locating their bees at any point in the State where they have permits and hobbyist beekeepers can not do this.

Mr. Jim Fulper, an embryonic beekeeper with one hive, stated that he has no vested interest in the commercialism and apiculture aspects of beekeeping in Nevada. He felt that this is a pasture law typical of those in existence in 6 other states. However, there are no more than 10 commercial beekeepers in Nevada. In the interest of the furtherance of the Nevada apiculture, to continue to include this extremely limiting section relative to the location of apiaries would castigate the effect of the development of commercial beekeeping in the years ahead.

Senator Jacobsen asked Mr. Tom Ballow of the Department of Agriculture to testify as to what problems, if any, there have been with apiaries. Mr. Ballow commented that he does not wish to testify pro or con on this bill and remarked that it is not a Department sponsored bill. He answered several questions regarding the honey bees and the leaf-cutter bees and their rolls in pollination.

Senator Neal announced that the hearing on S.B. 277 would be in recess until a date to be set by the Chairman.

Senator Neal called for final action on S.B. 276.

Senator Sloan moved that S.B. 276 be passed out of committee with the recommendation: Do pass, and rerefer to the Committee on Finance.

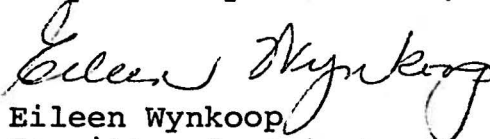
Seconded by Senator Jacobsen.

Motion carried. (Senator Lamb - absent)

Mr. Fulper asked to clarify the position of the hobbyist beekeepers relative to S.B. 277 by stating that they are in wholehearted agreement with the bill in its provision to increase the resources for the Department of Agriculture in Section 1, and stated that the provisions of Section 2 dealing with the use of ethalem gas for destruction of the colonies is appropriate and economically imperative. The problem as they see it is with Section 3, which looks to them to be a special interest mandate.

There being no further business, the meeting was adjourned at 3:20 p.m.

Respectfully submitted,


Eileen Wynkoop
Committee Secretary

APPROVED:



Joe Neal, Chairman

**SENATE BILL NO. 276—SENATORS BLAKEMORE,
GLASER AND KEITH ASHWORTH**

FEBRUARY 28, 1979

Referred to Committee on Natural Resources

SUMMARY—Requires consideration of project on Steptoe Creek in White Pine County for allocation of money. (BDR S-916)

**FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.**

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT requiring the review board for water recreation and resources to consider the Steptoe Creek project in White Pine County for allocation of money; contingently providing for the priority of the project; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 **SECTION 1. 1. The review board for water recreation and resources**
2 **shall consider the proposed project on Steptoe Creek in White Pine**
3 **County as one of the first two projects which it considers for an alloca-**
4 **tion of money from the fund for development of water resources.**
5 **2. If the review board determines that the application for the project**
6 **meets all statutory requirements and that the project is eligible for an**
7 **allocation of money from the fund, the review board shall approve the**
8 **application and designate the project as having first or second priority**
9 **among projects for an allocation of money from the fund.**
10 **3. If the application is approved by the review board, the interim**
11 **finance committee shall make an allocation from the fund sufficient for**
12 **the project, but not more than \$5 million.**
13 **SEC. 2. This act shall become effective on July 1, 1979, only if Sen-**
14 **ate Bill 195 of the 60th session becomes law.**