Minutes of the Nevada State Legislature

Senate Committee on Natural Resources

Date: March 20, 1979 Page: One

The meeting was called to order at 2:10 p.m. Senator Neal in the Chair.

PRESENT: Senator Joe Neal, Chairman Senator Norman Glaser, Vice-Chairman Senator Wilbur Faiss Senator Lawrence Jacobsen Senator Floyd Lamb Senator Mike Sloan

OTHERS PRESENT:

NT: Mr. Jim Bruner, League to Save Lake Tahoe Mr. Milt Manoukian, Harrah's Lake Tahoe Mr. Gordon DePaoli, Park Cattle Company

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

The committee discussed the amendments which were adopted at the last meeting. A copy of those amendments are attached as <u>Exhibit A</u> and <u>Exhibit B</u>. <u>Exhibit A</u> is amendment No. 387 which would make all the substantive amendments in the bill, except for the deletion of Section 5 which is in amendment No. 388.

Senators Glaser and Neal were concerned about the effect amendment No. 388 would have since it removes the provision that gaming be contained to the same story of the structure that it is found on the effective date of this act. Senators Lamb, Faiss and Sloan felt that the gaming industry should be allowed to move gaming around within the public space. Senator Sloan stated that the public space is defined in the bill and that would preclude the gaming establishments from creating gaming areas where there are presently hotel rooms.

Senator Glaser mentioned that with this amendment a convention center on the third floor of a hotel could be converted to gaming. Senator Sloan responded by stating that a convention center designed to hold 500 people would be no less people-intensive than gaming areas. Senator Glaser felt that would be a breach of faith with the work done in the Ad Hoc committee for the overall restraint of growth at the Lake if the public areas used for convention facilities were converted for gaming.

Senator Sloan asked about Page 2 of the amendment which would delete lines 2 and 3 and insert language that would allow modification of the structure within the limits set forth in the bill. He suggested amending the bill by adding the word "external" before the word "modification" so that it is clear the intention is that agency approval is required for modifications to the outside of the building and not the inside of the building.

Senator Lamb moved the adoption of the amendment.

Seconded by Senator Sloan.

(Committee Minutes)

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## Motion carried.

Senator Neal asked if anyone present could provide the committee with information concerning the amount of traffic attributable to gaming as opposed to other activities in the area.

Mr. Jim Bruner, League to Save Lake Tahoe, stated that he had gone through their records relating to traffic figures offered by industry people in the past. He cited a report submitted by the Tahoe Palace which was prepared by Sierra Environmental Service, a copy of which is attached as <u>Exhibit C</u>. The report breaks down the difference between automobile trips generated for restaurant/showrooms, employees and hotel rooms from those attributable to casino space. The trips were verbally broken down by saying that 70% of the trips were related to gaming and 30% were attributed to restaurants, showrooms and hotel rooms. He contacted the Nevada Department of Highways and found that they use similar figures.

Their figures cited 258 to 334 trips per 1,000 feet of casino space versus 164 trips per thousand feet generated for a restaurant. He stated that the League was supportive of the bill prior to the adoption of amendment No. 388.

Milt Manoukian representing Harrah's Club, stated it seems improvident at best, ill-advised to say the least, that any gaming operator would be induced to get rid of all their kitchens, restrooms and convention facilities in order to make way for gaming in the absolute. Secondly, the industry has found an inherent correlation cannot be made between increases in traffic and gaming in the Lake Tahoe Basin. This was testimony given before the TRPA when Harrah's Club appeared for approval of a proposed parking structure. While traffic counts at Stateline were up 15% starting in January of 1978, body counts and dollar volume in all of the clubs at Stateline were down in the same period. There is not an interrelationship between traffic and increases in gaming during that attendant period of time.

Mr. Gordon DePaoli representing Park Cattle Company, spoke to the amendments adopted. He felt that the addition of the word "external" in front of the word "alteration" in amendment No. 387 would take care of the concern about whether that provision applied to the inside or outside alteration. He felt the action just taken by the committee to amend the bill further to specify "external modifications" could be interpreted that the gaming establishments could be required to get a permit if they wanted to paint the building. Mr. DePaoli also objected to the use of the word "elsewhere" in the language contained in the same paragraph. Minutes of the Nevada State Legislature Senate Committee on <u>Natural Resources</u> Date: <u>March 20, 1979</u>.

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He felt the language could be construed to extend to those facilities which do business away from the Lake or people who have additional land in the Basin. Senator Neal reminded Mr. DePaoli that this language is tied to the public space where gaming is conducted.

Senators Sloan and Glaser remarked that the words "inside or outside the structure" in that same paragraph were not in the amendment proposed by Senator Wilson and adopted by the committee. Senator Glaser felt the committee should strike the words "inside or" after the word "elsewhere".

Senator Glaser moved the adoption of the amendment.

Seconded by Senator Jacobsen.

Motion carried.

Mr. DePaoli then distributed copies of an amendment he requested. A copy of that amendment is attached as <u>Exhibit D</u>. The amendment would provide that Section 3 is not intended to prevent construction or enlargement of parking structures, or require agency review and approval of such structures. A permit from N-TRPA is not presently required, but he felt that the phrase "a permit for enlargement of any facility housing licensed gaming" could be construed to include parking structures.

Senator Neal commented that this bill does not pertain to parking structures. Parking structures would have to be approved by the TRPA, and this bill will affect Nevada's statutes. Mr. DePaoli felt that certain parties will try to interpret this bill to include everything associated with gaming as being frozen.

Mr. DePaoli stated that the bill submitted to the California legislature by Senator Garamendi permitted outside expansion with TRPA approval and inside expansion with Nevada Environmental Commission approval and <u>S.B. 323</u> is giving up gaming for the purpose of trying to get a change in the voting procedure.

Senator Glaser moved to withdraw Amendment No. 388. The motion died for the lack of a second.

Senator Lamb moved that <u>S.B.323</u> be passed out of committee with the recommendation: Amend, and do pass as amended.

Seconded by Senator Faiss.

Motion carried.

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There being no further business, the meeting was adjourned at 3:05 p.m.

Respectfully submitted,

Row C · Eileen Wynkoop

Committee Secretary

APPROVED:

JOE Neal, airman

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#### EXHIBIT A

	1979 REGULA	R SESSION (60TH)
SEMBLY ACTION	SENATE ACTION	SenateAMENDMENT BLANK
Adopted Lost Date: Initial: Concurred in Not concurred in Date: Initial:	Adopted Lost Date: Initial: Concurred in Not concurred in Date: Initial:	AMENDMENTS to <u>Senate</u> Bill No. <u>323</u> BDR <u>22-2022</u> Proposed by <u>Committee on Natural Resource</u>

Amendment Nº 387

Consistent with Amendment No. 388 only if this amendment is adopted first.

Amend section 1, page 1, line 20, by deleting "3 and 4" and inserting "4 to 6, inclusive,".

Amend section 1, page 1, line 23, by deleting "<u>3 and 4</u>" and inserting "4 to 6, inclusive,".

Amend the bill as a whole, by inserting a new section, to be designated as section 2, following section 1, to read:

"Sec. 2. NRS 278.782 is hereby amended to read as follows: 278.782 As used in NRS 278.780 to 278.828, inclusive, and sections 4 to 6, inclusive, of this act, unless the context otherwise requires, the words and terms defined in NRS 278.784 to 278.790, inclusive, and section 4 of this act have the meanings ascribed to them in [NRS 278.784 to 278.790, inclusive.] those sections.". Amend the bill as a whole by renumbering section 2 as section 3. Amend section 2, page 2, line 5, by deleting "3 and 4" and inserting "4 to 6, inclusive,".

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E & E LCB File Journal, Engrossment Bill

Date <u>3-26-79</u> Drafted by <u>JW:s1</u>

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Amendment No. 387 to Senate Bill No. 323 (BDR 22-2022 ) Page 2

Amend the bill as a whole, by inserting a new section, to be designated as section 4, following section 2, to read:

"Sec. 4. <u>"Restricted gaming license" means a license to</u> operate not more than 15 slot machines for which a quarterly fee is charged pursuant to NRS 463.373.".

Amend the bill as a whole by renumbering sections 3 through 5 as sections 5 through 7 respectively.

Amend section 3, page 2, line 7, by inserting after "<u>litigation</u>" the words "<u>contesting the validity of an approval by the Tahoe</u> Regional Planning Agency if that litigation was".

Amend section 3, page 2, line 11, by deleting "<u>agency</u>" and inserting: "<u>Tahoe Regional Planning Agency affirmatively or by</u> default".

Amend section 3, page 2, line 15, by inserting "<u>external</u>" before "alteration,".

Amend section 3, page 2, line 27, by deleting "January 1, 1979." and inserting "the effective date of this act.".

Amend section 3, page 2, by deleting lines 29 through 33 and inserting:

"that date. Within these limits, any modification of the structure which requires a permit from a local government also requires approval from the agency. The agency shall not permit restaurants, Amendment No. 387to Senate Bill No. 323 (BDR 22-2022 ) Page 3

convention facilities, showrooms or other public areas to be constructed elsewhere inside or outside the structure in order to replace areas existing or approved for public use on the effective date of this act.

2. Any structure housing licensed gaming may be rebuilt or replaced to a size not to exceed the cubic volume and land coverage existing or approved on the effective date of this act.".

Amend section 4, page 2, by deleting lines 34 through 43 and inserting:

"Sec. 6. <u>Gaming conducted pursuant to a restricted gaming</u> <u>license is exempt from the provisions of sections 4 and 5 of</u> this act if it is incidental to the primary use of the premises.".

## EXHIBIT B

SEMBLY ACTION SENATE ACTION Senate AMENDMENT BLANK   Adopted Adopted Amendments to Senate Senate   Lost Date: Date: Bill No. 323 Resolution No.   Initial: Concurred in Oncurred in BDR 22-2022   Not concurred in Date: Date: Proposed by Committee on Natural Resource   Initial: Initial: Senate Proposed by Committee on Natural Resource	$\bigcirc$	1979 REGULAR SESSION (60TH)			
Lost Ist	SEMBLY ACTION	SENATE ACTION	Senate	AMENDMENT BLANK	
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Amendment Nº 388

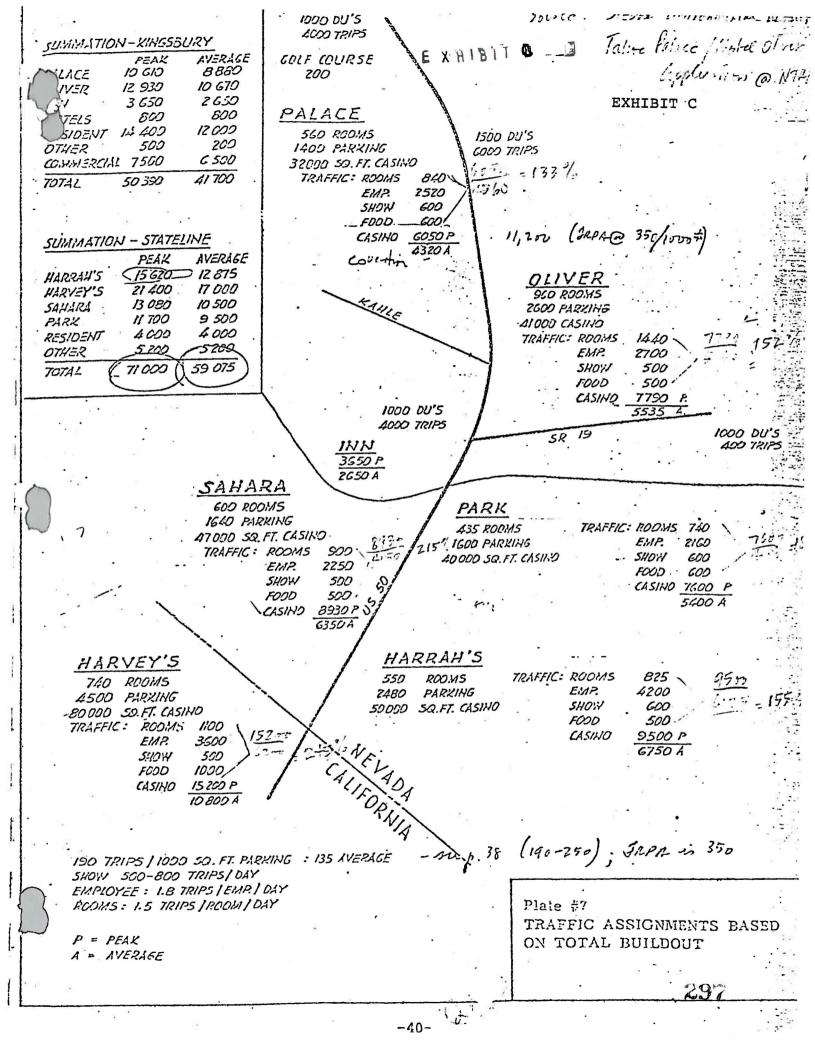
Consistent with Amendment No. 387 only if that amendment is adopted first.

Amend section 5, as renumbered, page 2, lines 27 through 29, by deleting the words "Gaming must not be conducted on any story of the structure not so used or approved for use on that date.".

E & E LCB File Journal Engrossment Bill

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# Date <u>3-26-79</u> Drafted by JW:sl



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