

The meeting of the Committee on Health and Welfare was called to order at 5:00 p.m. by Chairman Bennett with the following members and guests present:

MEMBERS PRESENT: Chairman Bennett  
Vice Chairman Chaney  
Mr. Bergevin  
Mrs. Ham  
Mr. Mello  
Mr. Nicholas  
Mr. Thompson

GUESTS PRESENT: Warren Monroe, Eastern Nevada Council of Drug and Alcohol Abuse.  
Charles Williams, Reno Police Department  
Mrs. Donnie Loux, Deputy Director of the Bureau of Alcohol and Drug Abuse  
Mrs. Dorothy North, Rural Task Force, Eastern Nevada Council on Alcohol and Drug Abuse  
Allison Geoffey, President, Council on Substance Abuse  
Larry Ketzenberger, Metro Police Department  
Patrick Pine, Clark County  
Dick Steinberg, Executive Director of Fitzsimmons House  
Ms. Pat Bates, Executive Director of the Churchill Council on Alcohol  
Wendy Bunkowski, Elko  
Sue Mollison, Lemoille  
Mike Johnson, Substance Abuse Counsellor  
Elmer Osko, President of ACLU  
Bill Wolletz, Director of the Northern Area Substance Abuse Council  
Arthur Senini, Beacon Distributing Company  
Gene Wilson, McKesson Wine and Spirits  
Jack McCoy, Luce and Son  
Dick Guyp, D and D Wholesale Liquors  
C. O. Watson, Wine and Spirit Wholesalers of Nevada  
Curt Brown, Capitol Beverages  
Fred Davis, Greater Reno-Sparks Chamber of Commerce  
Ben Akert, Ben's Discount Liquors

Mr. Bennett announced that A.B. 267, listed on the agenda for this meeting, will be rescheduled for March 25, 1981.

A.B. 247 - Increases excise tax on liquor and directs use of increased revenues for treatment of alcoholism.

Speaking first in support of this measure was former Senator Warren Monroe, Elko County, representing the Eastern Nevada Council of Drug and Alcohol Abuse. He stated this bill provides that

the people that are selling a product shall pay a small tax to take care of the people who are using, and perhaps, abusing that product. In many instances it costs the taxpayer thousands of dollars that are not readily apparent but that can no longer be overlooked. To emphasize the degree of the problem with some individuals, he read into the record a letter from the Elko Community Mental Health Center regarding a patient they have tried to help over the past years. He urged favorable consideration of this bill.

Speaking next was Mr. Charles Williams, Captain in the Reno Police Department, who stated that he, too, was in full support of the bill. He gave some statistics on arrests by his department which were alcohol related. He stated that the City of Reno, when the law for public intoxication was decriminalized, did not earmark any funds for the purpose of handling intoxicated persons; therefore, they are housed, fed and cared for in the county jail, often with convicted felons, etc. He pointed out that this is not a desirable way to handle persons with the problem. In 1978 they incarcerated a total of 12,725 persons and of that amount the Civil Protective Custody (CPC) inebriated persons totaled 5,675 or 44.6%; in 1979 they incarcerated 15,106 persons and of these 6,703 or 44.4% were CPC cases; in 1980 there were 15,029 and out of that figure 6,175 or 44.1% were CPC. In researching this problem, they feel they relate close to 70% of all incarcerations to alcohol. In computing their cost for arrests, detention, jailer's time, meals, etc., they come up with \$31.30 per individual per detention or an average cost of \$614.00 per day or \$224,376.00 per year for CPC detentions. This does not include medication, hospital services, clerical work, etc. Along with this in relation to DUI's in 1978 they booked 1,099; in 1979 1,228; 1980 1,143. They feel this bill will save thousands of taxpayers dollars and they are in total support of this measure.

(Mrs.) Donnie Loux, Deputy Director of the Bureau of Alcohol and Drug Abuse, testified in support of the bill on behalf of the Bureau. She gave statistics on what treatment is available through their agency and stated they feel this measure addresses many areas of concern. She gave the committee members information on how other states handle this problem and some of the different systems their Bureau has explored for Nevada. She referred to several sections contained in the Alcohol Abuse and Alcoholism Service Provision Report of the Rural Counties Task Force (attached). She agreed with the comments made by Captain Williams wherein the chronic inebriate should not be placed in a jail but should receive proper treatment for his problem. More important, however, these people need to receive some help in effecting a cure or a condition of control over their drinking problem.

Representing the Rural Task Force and also Eastern Nevada Council on Alcohol and Drug Abuse was Mrs. Dorothy North. She addressed some of the hidden costs involved in this area; for example, if

we can help one man overcome his illness and put him back into the mainstream of life where he can support his family, we can take them off the welfare roles and will save a considerable amount of money over the years. Nevada has the highest per capita alcoholism rate in the country and that is based not on tourist trade but on resident death certificates. She advised the committee that there is desperate need for increased monies for services, and the fact that we are just barely scraping the surface of those people they might be able to help. She feels they have significant rates of recovery through her program, as well as some other treatment centers, but there is a definite lack of proper care facilities and the revenue derived from this bill would be of great benefit to trying to provide that care.

Mr. Mello pointed out that the bill, if passed, should be amended to include the stipulation that this money will be used exclusively for rehabilitation treatment through direct client related services and not for administrative costs; Mrs. North concurred in that suggestion.

Allison Geoffey, speaking as President of the Council on Substance Abuse in Nevada, explained that her organization is a statewide organization of program directors and, as well, she is the Executive Director of the Equus program which is a substance abuse program for juveniles. She stated that both agencies she represents are in full support of this bill. She explained that as she understands the provisions of the bill, this money would be pass-through money and that it will go directly to the treatment programs. She added that the program treatment centers she represents are all private non-profit organizations and are operating on shoestring budgets. According to the information she has recieved, the federal funds accruing to these services will probably be cut this year; therefore, the state needs to assist these programs. The total budget in the state for alcohol and drug programs is approximately \$2 million. With the additional proposed revenue, they would be able to continue with their work and, hopefully, will be able to serve more clients. She read into the record letters in support of this measure from Meri Shadley, M.A., Substance Abuse Council and Steve Dollinger, former municipal judge in Reno. She supported the amendment suggested earlier by Mr. Mello that these funds be earmarked to go directly to client-related services and not to be used for administrative costs.

In response to a question by Mrs. Ham, Mrs. Geoffey explained that they do receive some private funds when clients are in a position to pay; they are United Way supported as well as 40 to 48% of their funds from the Federal Government and some from state funding. The balance of their funds are from private sources including grants, third party payments, private donations and from the Cities of Reno, Sparks and Washoe County.

Mr. Mello, addressing the loss of grant money which was estimated at \$36,000 per year, asked if that is the only grant money that

will be lost or will the rehab grant for \$450,000 be lost as well. He was advised that the \$450,000 looks pretty grim at this point; from NIDA in this state they get close to \$900,000 but they are not sure how much of that will be cut. They are talking about a minimum of 20% but they don't know for certain. Mr. Mello pointed out that this money will have to be made up somewhere but he doesn't think this bill is the vehicle to use. If we are going to talk about doing something for these people, we are going to have to do something more than this. He asked how AB 257, presently in Ways and Means, ties in with this and SB 332 which is a mandatory bill requiring Washoe and Clark Counties to take care of their alcoholism treatment centers. He suggested we may be better off going with another measure that takes care of the problem but goes even further. Mrs. Geoffey stated that her understanding is that this bill is an additional 10% increase on the existing tax, AB 257 is 25% of the existing tax and that putting both those together would be probably too prohibitive.

Testifying in support of the measure was Mr. Larry Ketzenberger with Metro Police Department who explained that they are supporting the concept of this beill, as well as the concept of the other two bills previously mentioned. He agreed with the statements made that alcoholism and drug abuse is a problem and particularly in Clark County where they have been ordered by the court to lower the population of their detention facility. They have absolutely no facility to handle the intoxicated person.

His testimony was supported by Mr. Patrick Pine, representing the County of Clark. Mr. Pine pointed out three areas in all three bills addressing this problem that are of concern: #1. Local government or state government's standpoint is financial support. How much is enough, where is it going to come from? They have qualms about exactly how much money is generated, how much good will that do, etc. #2. They have some problems with AB 247 in the area of local input and control in program design relative to how you operate the program. #3. Whatever program we come up with must have some meaningful interface between the police and the social service delivery system. You must consider both sides of that and make certain you are taking into account both elements of the public sector. They prefer AB 247 over the other two bills on this subject inasmuch as this bill speaks directly to the source of revenue.

Mr. Dick Steinberg, Executive Director of Fitzsimmons House in Las Vegas, testified he supports this bill completely. He pointed out that on the money aspect this is not a lot of money considering the size of the problem within the state. He urged favorable consideration of the bill.

Testifying next in support of the bill was Ms. Pat Bates, Executive Director of the Churchill Council on Alcohol and other drugs which includes an out-patient clinic and the New Frontier Treatment Center which services the state. The Churchill Council supports positively the concept of this bill. She addressed the

issue of recovery rates by explaining that at the New Frontier center where they treat approximately 300 persons a year, 50% comes from Washoe County, 10% from Clark, 2% from out of state and the rest from the rural areas. 82% of their total population completes treatment in their center; of that 82%, 39% are still successful after 6 months. They feel that is a very high success rate as many physicians and psychologists have only a 2% success rate with alcoholism. She added that there are approximately 55 thousand alcoholics in Nevada at this time; half of that population is women and there is no treatment center in the state for women. She has four beds for women in Fallon and she understands there are 6 beds in Las Vegas. To her knowledge those are the only facilities available for women to help them with a very serious problem.

She enumerated the areas of funding for her programs. They are: Bureau of Alcohol and Drug Abuse, National Institute, United Way and from insurance companies and private payments.

She delivered a message of support from Dr. John Chappel of the University of Nevada Medical School who asked that a local board be included for management purposes so that local people could set local priorities in regard to the tax monies that would be coming back to them.

The following individuals spoke briefly in support of the measure: Wendy Bunkowski from Elko, Nevada who is a volunteer in Vitality House; Sue Mollison from Lemoille, Nevada; Mike Johnson, Substance Abuse Counsellor at Equus in Reno; Elmer Osko as President of ACLU; and Mr. Bill Wolletz, Director of the Northern Area Substance Abuse Council in Reno. Mr. Wolletz explained that, while he personally supports the bill, he delivered, in behalf of the Assistant County Manager from Washoe County, a letter opposing the measure (attached EXHIBIT I). He testified further that he was delivering a verbal statement from the Assistant City Manager of the City of Reno who was opposed to the bill. The concerns he has heard in regard to this bill is that the language appears to give the Bureau of Alcohol and Drug Abuse the responsibility for determining the areas of "shortage" and the City and County want their feelings known on that issue. Last year the three entities provided a total of \$70,000 for alcohol and drug treatment and they feel that kind of contribution should be rewarded; they feel this bill will penalize them. He reminded the committee of the other bill (AB 257) which provides for a local board and this, he feels, would eliminate the problems the cities and counties have with this proposal. Mr. Wolletz explained that he, personally, supports both bills.

Chairman Bennett asked for testimony from anyone in the audience that was opposed to the bill and the following comments were received:

Mr. Arthur Senini, Vice President and General Manager of Beacon Distributing Company and President of the Wine and Spirit Wholesalers of Nevada in Reno addressed the committee; his comments

are contained in the attached EXHIBIT II. He introduced colleagues present with him at this meeting: Mr. Gene Wilson of the McKesson Wine and Spirits, Mr. Jack McCoy of Luce and Son, Mr. Dick Gupp of D and D Wholesale Liquors and Mr. C. O. Watson,\* secretary-treasurer of their Association. They are all present to protest passage of this bill.

Testifying next was Mr. Curt Brown, President of the Nevada Beer Wholesalers Association and with Capitol Beverages in Carson City. He stated he was totally opposed to the concept of using revenues from the sale of beverage alcohol or even the partial use of the revenue. The reason for his opposition is that the earmarking concept is not sound government or good social policy; there is no precedent for this taxation which he feels unfairly singles out alcohol as a cause of a health problem. Sugar base products are not taxed to pay for diabetics nor are automobile sales taxed to pay for highway safety programs or to treat crash victims. If alcoholism is a public health program then public programs should be financed from the general fund - not from a regressive tax. He urged that the committee take no action that would allow passage of this measure.

Mr. Fred Davis representing the Greater Reno-Sparks Chamber of Commerce advised the committee his group was opposed to this bill and explained their reasoning. He stated their opposition to the bill and explained their reasoning. He stated their opposition to the bill was one of the philosophy of the type of taxation that has been represented in previous testimony, and while they acknowledge there is a serious problem in the State of Nevada and one that should be addressed, they feel that if such funding for these programs is to come about, that it should come from the General Fund of the state and not from any earmarked funds.

EXHIBIT III was distributed by Mr. Ben Akert, owner of Ben's Discount Liquors. He explained that in the audience, supporting his position of opposing the bill, were several persons from the same industry and introduced them as Messrs. Mike and Joe Framcor from Dart Liquor and Rich Graves of Rich's Discount Liquor of Sparks, Nevada. He testified that, while they are in extreme sympathy with the problems of alcoholism, he feels it is a social problem and is not a problem of their industry. He added that 80% of the discount liquor business is from out-of-state buyers; it is a big number in the State of Nevada not only for the discount businesses but also for the grocery stores. He reviewed the exhibit he had prepared showing a hypothetical tax and what impact it would have on the liquor industry. According to his figures, if this tax is increased, we would lose approximately 10% of our present volume, which would result in a net loss of sales tax revenue of \$15,100. If the same 10% were taken off the one million base gallons at \$10.00 per gallon, we would have a net loss of \$35,000 in sales tax revenue. He strongly urged that the committee look at the economic impact this would have on the state and vote against the bill.

\* Letter from Wine and Spirits Wholesalers of Nevada attached as Exhibit IV 66

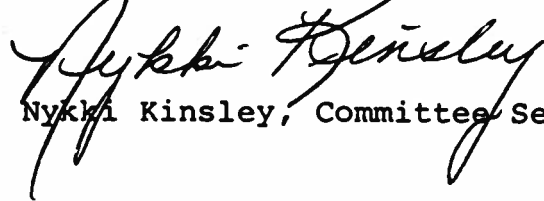
Chairman Bennett advised those present that further testimony will be heard on this bill at a future meeting of the committee.

Bills on the agenda that were rescheduled for a future date were:

AB 267  
SB 144  
SB 147

There being no further business, the meeting was adjourned.

Respectfully submitted,



Nykkie Kinsley, Committee Secretary

**ALCOHOL ABUSE AND ALCOHOLISM SERVICE PROVISION  
PROBLEMS AND PRIORITIES**

**Report  
of the  
Rural Counties Task Force**



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## ALCOHOL ABUSE AND ALCOHOLISM SERVICE PROVISION

### PROBLEMS AND PRIORITIES

#### Overview

Nevada is a state with approximately 110,000 square miles of land area and a population of over 797,000 people (according to the 1980 census). During the past decade, the state has experienced the greatest growth of any within the continental limits, a population increase of over 49%.

The pattern of growth has, however, not changed over the previous pattern seen. Fifty-six percent of the people still live in the Las Vegas metropolitan area (Clark County). Washoe County, in the northern part of the state, is home of 25% of our people. The remaining 19% live in small towns and ranches spread out over approximately 105,000 square miles in fifteen of our seventeen county jurisdictions.

The state is impacted each year by approximately twenty-five million visitors who come to take part of our largest industry: gaming. Our visitors are in the state for a "good time" and to enjoy themselves. We encourage this tourism; our economy is based on the income it brings to us.

From a substance abuse point of view, this type of economy is one full of problems as a good percentage of our permanent population, particularly in two major areas, the gaming industry and law enforcement, come in daily contact with alcohol abusers and alcoholics.

According to the Rutgers University Center for Alcohol Studies Statistical Compendium (1980 Edition), Nevada ranks number two in the nation in deaths due to alcoholism.

As expected, the availability of service is directly linked to the population centers of the state. All of the rural areas are medically underserved, with trips of 120 miles or more very common for a simple doctor's appointment.

Substance abuse treatment also follows this pattern. Supportive services needed for successful treatment of substance abuse problems are simply non-existent in most rural areas and are often overtaxed in the Reno and Las Vegas areas.

Aside from the obviously critical service delivery problems caused by this situation, we have witnessed an alarming number of substance abusers impacting on our criminal justice system at a staggering cost to Nevada taxpayers.

In 1970, Nevada law enforcement statistics noted 20,858 arrests for incidences directly related to alcohol.\* An additional 5,091 arrests for disorderly conduct and vagrancy, crimes generally associated with alcohol, were reported, and police officials estimate 85% of all arrests to be at least indirectly related to the consumption of alcohol.

\*SUI's, Civil Protective Custody, Liquor Laws

The need in the State of Nevada for an effective alcohol and drug abuse treatment and prevention system is one of those famous "given" factors. Nobody argues that the need does not exist. The problem comes in defining where the need is the greatest and how to best address the "obvious" problem in the most cost-effective manner.

This report will attempt to address two major areas of concern - the substance abuser in the criminal justice system and substance abuse manpower shortage areas. These areas are further focused in the Uniform Alcoholism and Intoxication Treatment Act, especially as it relates to Civil Protective Custody provisions of NRS 458.270 and on critical shortages of treatment availability in Nevada's rural counties.

## The Uniform Act

In the alcoholism field, "the Uniform Act" means the Uniform Alcoholism and Intoxication Treatment Act, promulgated in 1971 by the National Conference of Commissions on Uniform State Laws.

The Act has been passed (with minor variations) in 32 states, which receive implementation funds from Congress through the National Institute on Alcohol Abuse and Alcoholism.

The basic intentions of the Act are as follows:

- a. To decriminalize alcoholism by repealing all statutes in which the gravamen of the offense is alcoholic behavior (including public drunkenness and disorderly conduct based on alcohol).
- b. To mandate states and communities to provide alcoholism services for those who wish them.
- c. To make acceptance of treatment voluntary to the greatest extent possible (and to clear up commitment laws).
- d. To harmonize a state's efforts in alcoholism treatment under the aegis of a state alcoholism "authority."

The Act does NOT:

1. Seek to repeal criminal statutes where an action is made more dangerous by consumption of alcohol (especially drinking-driving).
2. Change any criminal defenses.

The major effects of the Act have been to:

1. Allow police officers broader discretion.
2. Decrease the costs of booking, jailing, and court-processing.
3. Increase the total amount of government funds available for alcoholism treatment.
4. Make alcoholism treatment personnel nervous about the overuse of their funds for a small proportion of the alcoholic population.
5. Often increase the visibility of public inebriates.
6. Reduce the number of neglected public inebriates on the street.

## Historical Overview

Public drunkenness has long been a reality of civilized society. In America, alcoholism and public drunkenness have traditionally been treated as moral problems and as matters of voluntary choice on the part of the individual drinker. Legal sanctions were viewed as the appropriate instruments to enforce this notion of morality as well as to provide a solution to the social problem of public drunkenness.

However, years of experience with public intoxication statutes have shown that arrest for this offense does not stop the drinker from drinking or from appearing drunk in public. As knowledge of alcohol increased, it became more evident that alcoholism is in fact an illness, an illness which the alcoholic has little control over once he/she starts to drink. Viewing alcoholism from this perspective, public intoxication must be seen in another light. It becomes necessary to realize that the alcoholic has little control over his/her drinking, thus being drunk in public is most often a manifestation of this loss of control.

Two separate court decisions in 1966 expedited the movement to decriminalize public drunkenness. These cases were the first that applied modern knowledge and beliefs regarding alcoholism to determine the criminal responsibility of chronic alcoholics. In Easter vs. District of Columbia, the U.S. Court of Appeals for the District of Columbia held that the principle that an action committed involuntarily cannot be held criminal precludes the conviction for an alcoholic for public intoxication. Inherent in this decision was the view that alcoholism was an illness and public intoxication was nothing more than a symptom of that illness. In the Driver vs. Hinnant case, the U.S. Court of Appeals in the Fourth Circuit held that to convict a chronic alcoholic for public intoxication constitutes cruel and unusual punishment and is thus a violation of the Eighth Amendment. This ruling was based on the rationale that because alcoholism is an illness, a homeless alcoholic could not avoid being drunk in public and therefore, should not be punished for this public intoxication.

In another case two years later, Powell vs. Texas, the U.S. Supreme Court did not decide the full constitutional implications in the arrest and incarceration process for public drunkenness. In this case, different from the previous two, the defendant, even though an alcoholic, had a home and a family. The Supreme Court declined to extend the protection given under the Easter and Driver cases to Powell. However, a majority of the Court did not indicate that the punishment of a homeless alcoholic for public intoxication would in fact violate the Eighth Amendment. Although the court upheld Powell's conviction, it stated that invoking the criminal process for this type of offense was inappropriate.

The argument for decriminalization was strengthened in 1967 when three commissions all concluded that criminal law was an ineffective, inhumane and costly device for the control of public drunkenness. These groups, the President's Commission on Law Enforcement and the Administration of Justice, the President's Commission to Study Crime in the District of Columbia, and the Cooperative Commission on the Study of Alcoholism, all recommended that public drunkenness be eliminated as a criminal offense and that facilities for health care and rehabilitation be provided. In 1969, the American Medical Association and the American Bar Association issued a joint policy statement regarding alcoholism. Included in the document was a call to the States to revamp their legislation to recognize alcoholism as an illness and stop handling public intoxication as a criminal offense.

The most pronounced effort toward decriminalization has taken place as a result of the Federal Government and others encouraging the states to pass the Uniform Alcoholism Intoxication and Treatment Act. This Act provides for repeal of criminal laws against drunkenness and establishment of a treatment continuum to service this population.

In 1976, a group at Indiana University conducted a survey of 20 Uniform Act states to determine the effects of the legislation. This group revealed less complete decriminalization in many states, either in law or practice, than was contemplated in the model act. In none of the states had arrests vanished entirely. Even though the proportion of inebriates reaching jails had declined, only in two states had they vanished. The reasons given for these and other compromises were that there were inadequate health programs, there was inadequate funding for the needed treatment programs, and there was often a conflict with law enforcement officers regarding their roles. Although these results are dated, recent surveys and evaluations conducted on state levels often draw the same conclusions as this 1976 study.

### Sundance

One recent event has added a new perspective to the question of our social and legal policies regarding public drunkenness. Robert Sundance was a 50 year old public inebriate who averaged over 50 public drunkenness arrests per year and spent an average of 300 days in the Los Angeles County jail as a result of these arrests. Sundance had written over 80 handwritten requests for habeas corpus, most of which were denied. One of these requests was finally referred by a Federal judge to the Center for Law in the Public Interest. Center attorney, Timothy Flynn, began researching the case and only chose to pursue a civil rights class action suit after Governor Brown vetoed in 1975 the Uniform Act as well as the \$22 million set aside by the California legislature for alcoholism treatment funding. At the time the case was filed in 1975, Los Angeles had over 10,000 homeless alcoholics and police were making over 55,000 arrests for public drunkenness annually. Approximately 1,000 of the public inebriates accounted for most of these arrests. As a result of so many arrests and so few trials for this offense, the police were even neglecting to fill out the required arrest forms.

Sundance vs. Municipal Court of Los Angeles was a class action suit filed naming Sundance and four other litigants to represent the aggrieved class, the public inebriate population of Los Angeles. The trial took eight weeks and was based on the premise that incarceration of chronic public inebriates is cruel and unusual punishment as established in the Easter, Driver, and Powell cases. This landmark decision was based on four conclusions reached by the trial judge. The court concurred that incarceration for public drunkenness is in fact cruel and unusual punishment. Included in this definition of incarceration was the practice of picking up and holding intoxicated individuals in jail while they were awaiting trial. The court also held that due process was denied in those situations where the court had no intention of bringing these individuals to trial (most of the public intoxication cases were dismissed immediately prior to trial yet the individuals were detained up until dismissal); where the public inebriate without clear judgement was asked to plead guilty; and without legal counsel was asked if they wanted the case to be dismissed. The court noted that such processing of public inebriates by the Los Angeles justice system was in fact a waste of taxpayers money, but that implementation of the policy changes needed was a matter for legislative action. Finally, the court said that medical treatment of alcoholism is required for any alcoholic being held in custody.



This case has several implications for the cause of decriminalization of public drunkenness. First, it resurfaced the issue of the legality of criminal penalties for public drunkenness, an issue that had been dormant for eight years. Secondly, it suggests that lawsuits as well as legislation may be vehicles to eliminate criminal justice sanctions against chronic alcoholics who are habitually drunk in public. It also suggests that jails and other justice agencies that may detain alcoholics on other charges had better be providing adequate and appropriate medical care to treat the illness of alcoholism. It seems that only if adequate care is provided can the detention avoid being defined as cruel and unusual punishment. Another implication may be that even in those states that have adopted the Uniform Act, similar lawsuits could require the treatment system to provide adequate treatment services. This could have a serious impact on states not now providing adequate treatment services to the public inebriate. Another implication is that as a result of recent Supreme Court rulings holding that states and municipalities can be held liable for damages, future suits such as the Sundance case may result not only in findings in favor of the plaintiffs but damages may also be awarded.

### Police<sup>1</sup>

Public drunkenness, as a crime against the public order, is a police problem. Public drunkenness, when decriminalized, remains a police problem. Public drunkenness, whether defined as a crime or as a symptom of alcoholism, frequently causes and requires police action. The response of the police under either definition of the act is contingent upon the role conceptions they have of themselves and to what extent they feel they are integrated and a part of the total community social services.

Police in general have persisted in a very narrow conception of their role. They see their main role--some in fact, see their only role--as that of crime fighters and law enforcers. Virtually all emphasis in police training is centered on this issue. Police operations also stress this role. Responsibilities outside of this conceptualization carry little prestige or status.

Actual enforcement of the law, however, constitutes only a very small percentage of the total work of police officers. More than 80 percent of their time is spent providing services rather than chasing criminals and apprehending law breakers (Bard and Shellow, 1976). But 99.9 percent of both police training and operational routines are organized around activities which occupy less than 20 percent of their on-the-job time.

There is, however, a conflict between what police themselves expect to do in their jobs and what they are trained to do, and between both expectations and training, and what they actually do. Most police recruits expect action and excitement. When they get on the job, however, they learn that skills in first aid, counseling, mediation, interpersonal communication, and crisis intervention are as important as the ability to use service revolvers.

The idea that policemen spend their time in proactive rather than reactive behavior is a myth, and the unfortunate consequences of this myth are enormous. It is the myth, perpetuated by modern media and the popularity of TV shows like Kojak, Hawaii Five-0, etc., which ultimately lead to a very narrow view of the police function and to a de-emphasis of the skills which should be

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<sup>1</sup>Dr. Paul Friday

stressed. It makes judging the quality of performance in a department difficult since the quality of work is quantified into the number of arrests. Finally, unreasonable expectations based on the myth cause many officers to suffer boredom resulting in a high turnover of personnel within the first three years.

The disparity between role emphasis and role fulfillment has worked to the disadvantage of the police. The more the old myths are perpetuated, the more disadvantaged the police are going to be and the more the community will be deprived of basic services. There has to be a shift in role emphasis to fit the reality of the job - and that reality is not only burglaries and murder and violence, but the interpersonal strains of living and the smell of the public drunk.

#### Decriminalization/Detoxification

There is now general agreement that arrests for public intoxication should be stopped, and the desirability of eliminating the current questionable allocation of scarce resources of the criminal justice system is generally accepted. On the other hand, decriminalization of public intoxication itself does not solve the social problem of the public inebriate. Therefore, most reform proposals assume a binary form typified by the Task Force Report on drunkenness (Report, 1967) which stated:

Drunkenness should not in itself be a criminal offense (decriminalization). The implementation of this recommendation requires the development of adequate detoxification procedures.

Thus, decriminalization has been linked with detoxification; one is legal, the other social and medical. Subsequently, the major source of problems in the implementation of such binary legislation lies in resolving the inherent incongruencies between the expectations of the community regarding the detoxification apparatus and the perceived legal responsibility of law enforcement officials to protect the public.

Attention must focus on the question of how policy, practice, and facilities might best be altered to reduce the criminal law role while not impairing but perhaps even improving, the quality of the handling of the chronic public inebriate. The task of achieving this reform involves a variety of issues, including problems of financial cost and social objectives; role and legal problems of the police; and the actual and perceived effectiveness of detoxification itself.

The community, particularly during this period of financial crisis, is looking for ways to save on expenses, not increase them. Given the general unwillingness even to adequately support educational institutions, no community is willing to direct its scarce resources to the benefit of the social deviate. The conflict is between the ideal response to the problem and the realities. Despite the emphasis on the medical model of alcoholism, the public continues to assume the moral turpitude interpretation of earlier legislation.

Even though police and courts often justify the arrest of the public inebriate in terms of the benefit to the person himself (Bittner, 1967), i.e., he gets shelter, good solid meals, and a chance to dry-out; arrests are generally not predicated on such altruistic motives. Instead, arrest policies are often

linked with the community esthetics, interference, or visibility in the business district, potential harm, and other activities of the police. In his study of public intoxication arrests in Chicago, Nimmer (1971a) indicated that intoxication itself was not a crucial determinant of arrest.

This is not to criticize the police but to emphasize the conflicting demands on enforcement. Clearly, the handling of the public inebriate is not only an unpleasant task, but a thankless one which is little rewarded and detracts from the public image of the police role, i.e., catching criminals.

The situation is, therefore, one of unresolvable incongruence between the legal and social expectations of decriminalization legislation. Ideally, the public inebriate is a medical and social problem and need "help," but social medicine is not supported financially by public funds or even by public interest. Indeed, the medical profession and its various administrative branches (hospitals, private offices, clinics, etc.) got "out" of the alcohol treatment area and "passed the buck" to the criminal justice and law enforcement agencies some time ago (Bacon, 1968). Only a few religious sects remained committed to the social and medical needs of public inebriates.

The current binary legislation implies a shift back to social agencies to deal with the problem, and certainly police view this as their way "out." They find it difficult to balance the social demands with their crime fighting responsibilities. It boils down to the fact that everyone recognizes and defines the public inebriate as a problem, yet no one really wants to assume the responsibility for him/her, particularly if it burdens the public treasury. Arguments by cost-benefit analysis only confuse the issue; the social and human costs will remain as long as we treat only the symptom and not the cause. Only the burden is shifted from one agency to another. It may be argued that simply stopping arrests without creating new facilities would produce substantial benefits without offsetting losses.

Number and Percent of Arrests for Public Drunkenness  
by Annual Trend  
1969-1975

Year Reported	Number of Arrests			Ratio of Drunkenness Arrests to: Percent of Drunk Arrests	
	Total	Part I*	Drunk	Total Arrests	Part I*
1969	5,773,988	1,111,674	1,420,161	24.2	127.8
1970	8,117,700	1,551,300	1,825,500	22.5	117.0
1971	8,639,700	1,707,600	1,804,900	20.9	105.7
1972	8,712,400	1,724,400	1,676,800	19.2	97.3
1973	9,027,700	1,833,300	1,599,000	19.0	87.2
1974	9,055,800	2,164,100	1,332,600	14.7	61.6
1975	9,273,600	2,298,900	1,217,000	13.0	52.7

\*Includes Murder, Rape, Robbery, Aggravated Assault, Burglary, Larceny, and Auto Theft.

### The Aversion of the Primary Purpose of the Law

There is no victim, per se, where the police arrest or detain a drunk. For this reason, no community protection was afforded by the 1.2 million drunkenness arrests in 1975. The incarceration of this army of inebriates was more than sufficient to empty the Phoenix area or the entire state of Utah! Yet during the same period, there were an estimated 11,256,600 serious (i.e., Part I) index crimes known to the police. Only 21% of these were cleared by the arrest of the suspect. This was a 10 percent increase over the previous year and a 39 percent increase since 1970. It seems reasonable to inquire as to what good was realized by this incredible array of arrests of drunks followed by court appearances and jail sentences. This occurred during a period when half of the population of America was afraid to walk the streets of their own neighborhoods after dark. The serious crime rate clearly has not diminished. In short, it seems that the only benefit derived from this show of force was the temporary removal of a public nuisance from the streets of selected neighborhoods of our urban centers. There must be a better way to deal with the problem of public inebriation.

Similarly, the President's Commission on Law Enforcement and Justice Administration at the end of a Task Force study on drunkenness enunciated four lines of recommended action:

1. "Drunkenness should not in itself be a criminal offense. Unorderly conduct or other criminal conduct accompanied by drunkenness should remain punishable as separate crimes. The implication of this recommendation requires the development of adequate civil detoxification procedure."
2. "Communities should establish detoxification units as part of comprehensive treatment programs."
3. "Communities should coordinate and extend aftercare resources, including supportive residential housing."
4. "Research by private and governmental agencies into alcoholism, the problems of alcoholics, and methods of treatment should be expanded."

### Cost to Citizens

It is conservatively estimated that \$1.3 billion was spent by Nevada residents between July 1973 and June 1974 for retail purchases of alcoholic beverages. Equally large sums were paid for the costs of illnesses, lost work time, accidents, and court proceedings produced by the former expenditure. Additionally, it is conservatively estimated that over \$60 million of public funds were expended in 1975 to achieve little if anything by arresting drunks. This is based on the calculated rate of \$50 per arrest to process the inebriate through the lower court and incarcerate him upon sentence. This staggering sum could more productively be spent for several other purposes.

A 1957 study by the Committee of Prisons, Probation and Parole in Washington, D.C., assessed the cost of arresting six extreme cases of chronic alcoholics. It was determined that these six persons had been arrested over 1,400 times, had served over 125 years in jail, and cost the taxpayers more than \$600,000.

Yet not one had been cured of alcoholism during that period. In local city jails, up to 90% of short-term prisoners are there merely for public intoxication. Half of all American misdemeanants are public inebriates.

As noted above, 1,217,000 drunk arrests occurred in 1975. Considerable valuable time was thus spent by law enforcement to make the initial arrest, place the suspect in custody, transport him to the station house, book him into jail, detain him until his day in court arrives, feed, clothe and shelter him during that period, and then transport him to court for trial. The officer's time would have been spent much more productively if he were concentrating on muggings, assaults, and other serious crimes which instill real fear in the average citizen. Yet in Washington, D.C., where a uniform tactical unit of police was created to combat the "serious element of crime" 44 percent of their arrests netted only drunks. Many of these arrests undoubtedly involved the same person. In Los Angeles, 1/5 of all inebriates arrested accounted for 2/3 of the total inebriate arrests made.

A partial answer to this problem may come from an early demonstration project conducted in St. Louis. There the overall time spent in arresting, booking, and processing public inebriates was reduced from a total of 190 minutes to 48 minutes per individual as a result of the implementation of an innovative alternative to the incarceration of intoxicated persons. Other demonstration projects in various locales have produced many valuable alternatives to the traditional method of drunk arrests, jail, court appearance, sentence, jail, release, re-arrest, etc., (see the reference material cited at the conclusion of this position paper).

Another approach to the problem of diverting resourceless alcoholics from the routine process of criminal justice was suggested four years ago by Charles Weis. He discussed five specific types of services which involve (1) medical evaluation and detoxification, (2) shelter, (3) intermediate care, (4) community residential living facilities, and (5) aftercare. This he linked with a description of what exact steps are to be taken to establish such a program. Similar programs in Daytona Beach (Florida), Philadelphia and Erie (Pennsylvania), Cambridge (Maryland), and New York City are discussed by him. He found that the burden on the law enforcement system was reduced, which in turn had the effect of allowing the police, et. al., to function more efficiently.

ARRESTS - U.S.

<u>ARREST CATEGORY</u>	<u>NUMBER</u>	<u>% OF TOTAL</u>
Total estimated arrests (excluding minor traffic)	9,144,120	100.0%
Drunkenness	1,056,063	11.4%
*Disorderly Conduct	690,365	7.4%
DWI	1,185,213	12.9%
Liquor Laws	371,301	4.0%
All Alcohol	3,302,942	36.0%

Change in arrests from 1978-1979 = +4%.

ARRESTS - NEVADA

<u>ARREST CATEGORY</u>	<u>NUMBER</u>	<u>% OF TOTAL</u>
Total estimated arrests (excluding traffic)	70,671	100.0%
Drunkenness	10,903	15.0%
*Disorderly Conduct	2,480	4.0%
DWI	6,751	6.0%
Liquor Laws	3,204	5.0%
All Alcohol	23,338	33.0%

Change in arrests from 1978-1979 = +7%

\*While all disorderly conduct arrests do not involve alcohol, we have based our figures on tables included in the Nevada Judicial College Speciality Training Manual which does include this offense with other alcohol-related offenses.

## Nevada and Civil Protective Custody

In Nevada, provisions for the decriminalizing of public intoxication and Civil Protective Custody were established through passage of NRS 458 (458.250 through 458.280).

The stated purpose of this legislation was twofold: "To provide for the prevention of alcohol abuse and the treatment of alcohol abusers" and "To relieve law enforcement agencies of a large and inappropriate burden."

The passage of these provisions, however, was not accompanied by the allocation of funds necessary to insure availability of treatment facilities and procedures by which to carry out the legislative intent.

This situation has led to increased negative pressure on law enforcement officials who, while agreeing that public inebriates are more appropriately handled outside this system, have resources only to the most minimal alternatives for dealing with the problem by other than traditional means. A glaring example of the critical nature of this problem may be seen in Las Vegas.

Police who may no longer arrest public inebriates must, nonetheless, continue to pick up and detain them. This need stems from both humanitarian (the personal welfare of the inebriate) and pragmatic (business and tourist industry influences) motives.

An estimated 6% of the total jail population at any given time is on alcohol misdemeanor or CPC status.

In a recent court order fixing maximum inmate population for Las Vegas Metro jails, the U.S. District Court has established a population cap of 178 inmates. In establishing this limit the Court declared that "for many years past, as well as today, an unnecessary and unreasonably high number of persons are incarcerated in the subject (Las Vegas Metro) jails."

Among the Court's recommendations for resolving this situation was the use of alternative facilities for detention and detoxification of the public inebriate which has custody authority.

Presently, in Las Vegas there is only one facility available for detoxification of the indigent public inebriate. This twenty-bed social model detoxification facility (Starting Point) operates under a small grant from the State Bureau of Alcohol and Drug Abuse and does not begin to address either capacity need or the medical requirements of detoxification of the Las Vegas Civil Protective Custody system.

As has been previously stated, such a system is fraught with substantial problems: police morale, time constraints for apprehension of more serious offenders, over-crowded jails, and the costly "revolving door" effect; naming only a few.

### Cost Factors

Estimated expense associated with events stemming from or connected with alcohol requiring criminal justice action is as follows:

Las Vegas Metro

Per Event

2.0 hours Police @ \$11.00 per hour (Does not include fuel, mileage charge, forms, two-officer units, or backups.)	\$22.00
1.5 hours Police Records @ \$8.00 (Does not include xerox forms or equipment.)	12.00
*12 hours Detention @ \$42.00 per day (Does not include photo, fingerprint, or other supplies.)	21.00
2 hours Court @ \$19.00 per hour (Does not include police overtime, forms, supplies, appointed attorney.)	38.00
Estimated cost per event	<hr/> \$93.00

\*Note: Due to the Federal population cap on the Clark County Jail, those persons detained for alcohol-related offenses are allowed to sober up, cited, and released. Past practice with persons having alcohol problems involved a typical incarceration of approximately three days.

Reno City



Elko Sheriff

Per Event

2.0 hours Police @ \$8.00 per hour (Does not include fuel, mileage charge, forms, two officer units or backups.)	\$16.00
1 hour Police Records @ \$6.00 (Does not include xerox forms or equipment.)	6.00
*12 hours Dention @ \$20 per day (Does not include photo, fingerprint or other Supplies.)	20.00
2 hours Court @ \$15.00 (Does not include police overtime, forms, supplies, appointed attorney.)	15.00
Estimated cost per event	<hr/> \$57.00

## System Design

Any system design planned for addressing the public inebriate problem must incorporate a continuum of care from screening and detoxification to outpatient and follow-up with supportive services built in, i.e., vocational. It should be designed to insure maximum cost effectiveness by removing the necessity of police apprehension, referral and detention, and should build on, rather than duplicate, existing community services.

The "continuum of care" is best provided within a coordinated and comprehensive program which ideally provides the following components:

1. Emergency treatment services;
  - a. Pick up of public inebriates;
  - b. Medically supervised screening;
  - c. Medically supervised detoxification;
2. Inpatient treatment services;
3. Recovery and transition house services;
4. Long term treatment services;
5. Outpatient treatment services;
6. Information and referral services;
7. Alcohol information training and education; and
8. Vocational and social services.

While many of these services exist minimally in at least the urban areas, they are presently overtaxed to the point of being little, if any, use to law enforcement and community officials striving to address the complex problems created by the public inebriate in the community.

Existing services, when reflected in the aforementioned "continuum of care" outline, would appear as outlined in the charts following this section.

Existing BADA funded facilities shown in the services chart are over extended (in excess of 100% utilization) at present capacity and would require financial assistance in order to serve additional CPC clients.

BADA funds only a small part of the overall budget of these programs. They must, therefore, rely on clients who have the ability to pay for services to make up additionally required funds. The majority of persons impacting on the CPC system are, as previously stated, indigent.

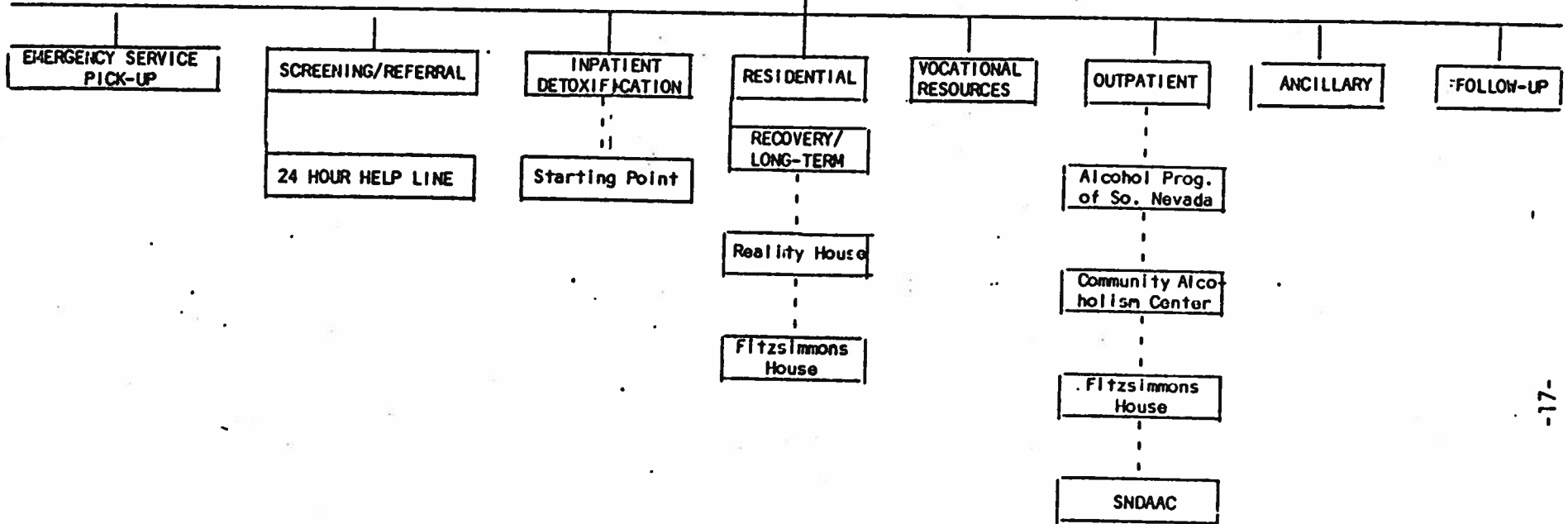
Programs listed under non-contract services are private profit-making agencies and charge substantially for all services rendered.

In addition to funding derived from alcohol taxes, an alternative used by many states for implementing public inebriate programs is inclusion of the indigent alcoholic in provision of public assistance (Welfare, SSI) service eligibility criteria.

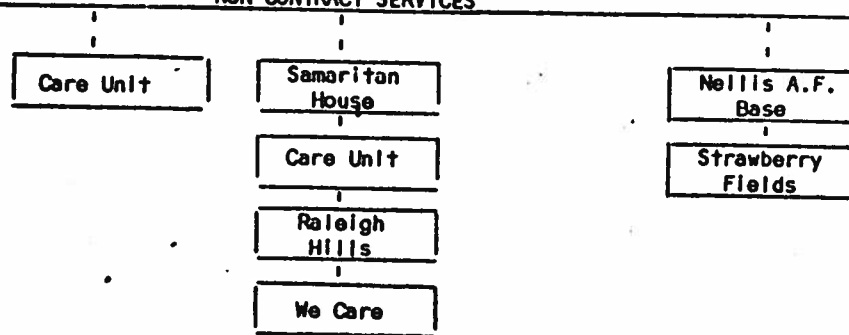
It should be recognized that these suggestions on possible direction for development are only small steps in an intractable situation. Realizing this, however, does not justify inaction.

BUREAU OF ALCOHOL AND DRUG ABUSE

SERVICE PROVISION CONTRACTS

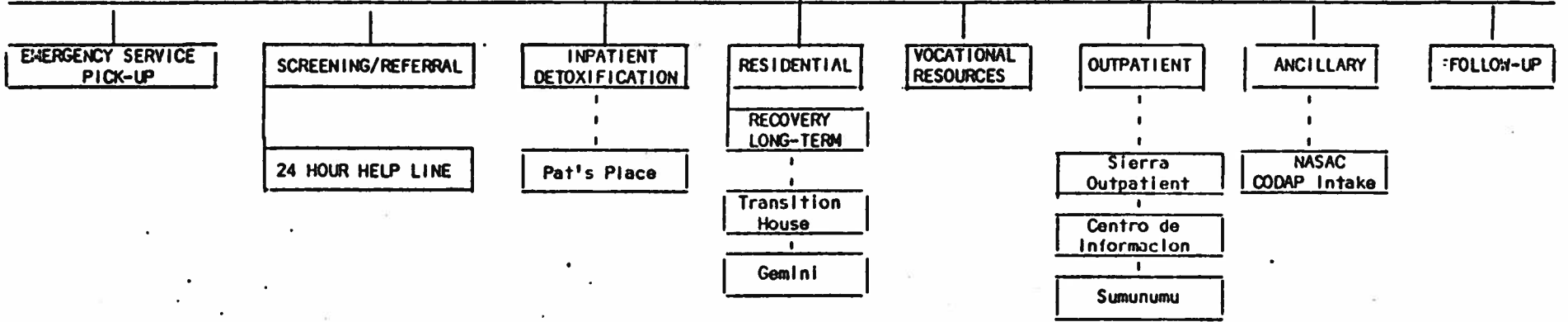


NON CONTRACT SERVICES

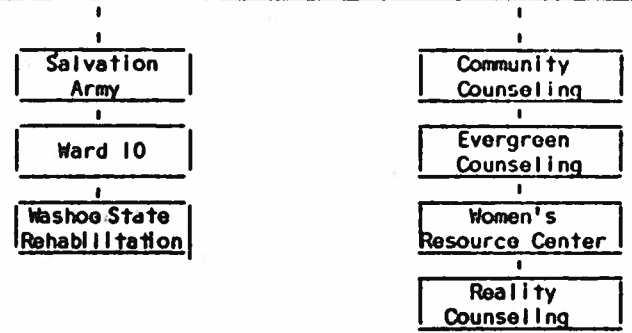


BUREAU OF ALCOHOL AND DRUG ABUSE

SERVICE PROVISION CONTRACTS



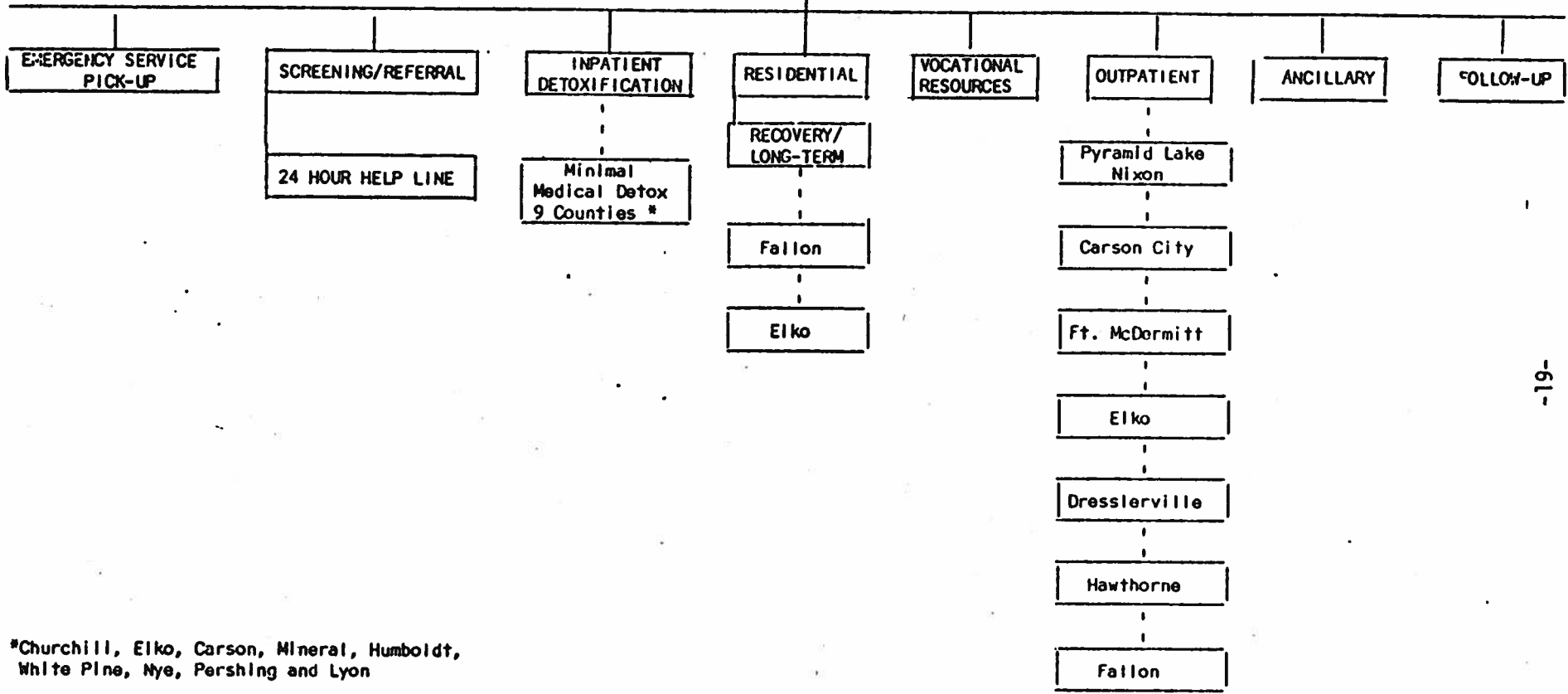
NON CONTRACT SERVICES



BALANCE OF STATE

BUREAU OF ALCOHOL AND DRUG ABUSE

SERVICE PROVISION CONTRACTS



\*Churchill, Elko, Carson, Mineral, Humboldt, White Pine, Nye, Pershing and Lyon

NON CONTRACT SERVICES



## Treatment Issues in Rural Nevada

Projections for rural Nevada growth rates will be increased this year over what had previously been expected by the Governor's Planning Office due to an upsurge in mining, energy exploration, new manufacturing, industry, and an increase in job availability in the large Reno and Las Vegas areas causing "fringe" growth in neighboring counties. Those areas expected to experience the greatest growth impact are Lyon, Elko, Humboldt, Nye, and Storey Counties and their surrounding areas. Two of these counties, Humboldt and Nye, have no funded substance abuse services although a small alcohol council has been incorporated in Tonopah (Nye).

Increased population growth, however, is not the principal effectuating factor in planning an appropriate service delivery system for the rural areas. Critically inadequate resources, insufficient funding, transportation and distance problems, and an alarming increase in both the rate and diversity of drug abuse serve to compound an already tremendous problem. Add to this the potential impact of the proposed MX placement in much of rural Nevada and the already serious nature of the problem becomes staggering.

Because population figures, when compared with Clark and Washoe Counties, are small, the rural counties seem to receive minimal consideration in funding and resource allocation in human service areas. The tendency is to put the money and services "where the people are." The alarming results of this well-established tradition often go unnoticed. In the area of substance abuse, this may be due in large part to the high visibility and critical nature of urban problems. However, throughout this priority focus on urban needs, rural Nevada substance abuse has increased dramatically and become highly complex in nature.

Extreme problems exist in obtaining necessary funds for high level program operation. Eighty-two percent of the land in Nevada is federally owned and, therefore, does not constitute a viable source of revenue to the counties. Most of this land is in the the rural areas. The remaining tax base is an inordinately small one, particularly in view of the unique public and social service needs and problems of rural counties. Accordingly, the amount of funds which may be generated locally for substance abuse treatment is often minimal.

The long distances that must be traveled to obtain treatment is a critical problem. Upwards to 100 clients were referred out of the state, often hundreds of miles, last year from rural Nevada programs for residential care. While neighboring states have been cooperative in accepting referrals, they obviously cannot be expected to assume a major role in the treatment of Nevada's clients. This situation is further complicated by lack of funds and strategy to support transportation needs of both those clients being transferred for treatment and those in outlying areas desiring access to an existing central clinic.

Community service officials report that rural youth have relatively easy access to alcohol and frequent opportunities to drink in both supervised and unsupervised settings occurring in automobiles on the way to and from school, on school grounds, at community events, in the home, in parks, and wherever

young people congregate. Alcohol seems to be readily available to youth either directly from local merchants, through adults willing to purchase it for them, or from parents.

The growing involvement of rural youth with substance abuse cannot be stressed enough. Here again we are witnessing the deadly combination of alcohol with medicine cabinet drugs, as well as daily, routine marijuana smoking. The problem is not that these kids are addicted to any one of these drugs, but rather, the growing frequency and combination in the use of them.

Youthful alcohol abuse in Nevada's rural communities has become a social problem of alarming proportions and is a matter of increasing concern to families, communities, social service agencies, and law enforcement entities in the rural counties. Young people in these isolated communities begin drinking at an earlier age, drink more openly, and consume more alcohol than at any time in recent history.

The police and judicial system have typically been an intervention point for youth whose alcohol problem has caused unlawful behavior but unless the problem manifests itself through deviant behavior, it will most likely be ignored or undetected in rural systems. Within the criminal justice system, however, statistics on juvenile crime are significantly reflective of the critical nature of the situation.

Youth under the age of eighteen account for nearly one-fourth of all arrest statistics in rural Nevada. Sixteen percent (16%) of all youth offenses are directly related to substance abuse. Of those, seventy-one percent (71%) were for alcohol. Fifty-nine percent (59%) of all drug offenses were committed by youth sixteen years of age or less, while fifty percent (50%) of alcohol offenders were sixteen or under.

These statistics are only those youthful violations of the law which are directly attributable to substance abuse. When violations not stated as specific alcohol or drug offenses but in which substance abuse was a primary factor are considered, we may easily document estimates from local district courts that 80% of all youth court appearances are substance abuse related. Funding and resources must be found to begin activities toward this end.

The rural court and police systems as a whole continue to be seriously overburdened with alcohol-related misplacements and public inebriates, as is the case in urban communities. The rural problem is further compounded by lack of adequate jail facilities and large areas which must be covered by a small number of police personnel.

The few existing alcohol programs in rural counties are appreciably understaffed and consistently reflect utilization rates of above 125%. They are, therefore, currently of little help in assisting the police in dealing with incidences of alcohol-related disturbances and legal offenses.

The funds available for detoxification are distributed among nine counties and are sufficient to provide treatment for only about 80 persons in need.



## Restructure in Research Allocation

Rural Nevada, while reflecting the smallest population, at the same time comprises almost 90% of the land base in the state. Two very limited residential centers and six small outpatient programs encompass all the treatment services available to persons within a 96,000 square mile area. Distances between these programs are often as much as 300 miles and programs which target specific populations (women, youth, etc.) are non-existent. Indeed, in many areas covering thousands of square miles and many small communities, no services are available. The highly populated urban areas, i.e., Clark County, may have as many as twenty-five treatment programs, providing a wide diversity of services, often highly specialized, within a 100 to 150 square mile area.

To continue the outmoded belief, no matter how strongly held or politically expedient, that resource distribution should be determined primarily by population without taking into account the very real needs and problems of the service delivery system in rural Nevada is a potentially disastrous mistake. Human service and planning agencies, citizens, and state and local governing bodies must begin to come to grips with this complexity if a realistic and meaningful statewide network of service is eventually to be established.

### EXISTING RURAL PROGRAMS

<u>COUNTY</u>	<u>PROGRAM NAME</u>	<u>TYPE OF PROGRAM</u>	<u>APPROXIMATE CLIENT CAPACITY</u>
Carson City	Carson Regional Council	Outpatient	50
Churchill	New Frontier Treatment Center	Residential	14
	Churchill Council	Outpatient	50
Mineral	Mineral Council	Outpatient	30
Elko	Vitality House	Residential/ Outpatient	15 30
Ft. McDermitt	Combined Indian	Outpatient	15
Washoe Tribe			

## Alcohol Tax Rationale

The growing pressure for additional funding for alcohol abuse prevention and treatment for those effected with the disease of alcoholism is generating a call for funding far beyond the resources presently available, either through the State General Fund or from the Federal Government.

It would appear that the most equitable means of providing for the growing needs in the substance abuse field is with the institution of a tax which is paid totally by those who are at risk of becoming a problem. Those not at risk are totally free from the tax. The only means to achieve this is through the imposition of an additional excise tax on imported alcoholic beverages, the tax to be passed on to the consumer of the alcohol thereby generating funds for the treatment of those who fall victim to the disease of alcoholism.

## Excise Tax Alternatives

The excise tax (alcohol tax) charged against imports of beer, wines, and liquors into the state generated a net income of \$10,840,844 during calendar year 1979.

Listed below are a few examples of potential revenues generated by an increase in alcohol excise tax.

1. \*A one-cent increase in all categories.

<u>Item</u>	<u>Present Tax</u>	<u>Additional Tax</u>	<u>New Tax</u>	<u>Generated Revenue</u>
Malt Keg	\$ .06	\$ .01	\$ .07	\$ 22,242.00
Beverage Cases	.06	.01	.07	249,400.00
Beverages/14%	.30	.01	.31	34,450.00
Beverages/22%	.50	.01	.51	2,960.00
Beverages/22%	1.90	.01	1.91	44,025.00
				<u>\$ 387,527.00</u>

2. \*\*Sliding scale per item.

<u>Item</u>	<u>Present Tax</u>	<u>Additional Tax</u>	<u>New Tax</u>	<u>Generated Revenue</u>
Malt Keg	\$ .06	\$ .01	\$ .07	\$ 22,242.00
Beverage Cases	.06	.01	.07	249,400.00
Beverages/14%	.30	.05	.35	172,252.00
Beverages/22%	.50	.07	.57	20,720.00
Beverages/22%	1.90	.23	2.13	1,012,564.00
				<u>\$1,477,178.00</u>

\* Drinkers would be paying the tax as the additional tax is passed on only to the consumer.

\*\* It would reach to the source and have treatment paid for before the alcohol is fully circulated.

3. Flat one-time 10% increase each category.

10% Revenue Projection				
<u>Item</u>	<u>Present Tax</u>	<u>Additional Tax</u>	<u>New Tax</u>	<u>Generated Revenue</u>
Malt Keg	\$ .06	\$ .006	\$ .066	\$ 12,945.00
Beverage Cases	.06	.006	.066	145,152.20
Beverages/14%	.30	.03	.33	100,252.00
Beverages/22%	.50	.05	.55	14,357.00
Beverages 22%	1.90	.19	2.09	<u>811,378.20</u>
				<u>\$1,084,084.40</u>

4. Flat one-time 25% increase each category.

<u>Item</u>	<u>Present Tax</u>	<u>Additional Tax</u>	<u>New Tax</u>	<u>Generated Revenue</u>
Malt Keg	\$ .06	\$ .015	\$ .075	\$ 33,362.00
Beverage Cases	.06	.015	.075	374,099.00
Beverages/14%	.30	.075	.375	258,378.00
Beverages/22%	.50	.125	.625	37,001.00
Beverages/22%	1.90	.475	2.525	<u>\$2,091,164.00</u>
				<u>\$2,794,004.00</u>

Current Alcoholism Program Budget for 1980-1981

State Funds . . . . .	\$ 250,000
Federal Funds . . . . .	<u>389,908</u>
	639,908*

These funds are budgeted for the following types of programs:

Detoxification Services . . . . .	\$ 190,000
Residential Treatment . . . . .	249,562
Outpatient Services . . . . .	200,451

\*No administrative costs are taken from alcohol allocations.

WASHOE COUNTY POLICY STATEMENT  
ON AB 247

Read into the record of the  
Health and Welfare Committee  
on March 11, 1981

The Board of County Commissioners oppose AB 247. Washoe County opposes this bill on the grounds that it does not provide an incentive for local governments to help financially in solving the problem nor does the bill deal adequately with the need for local control over local programs.

Unfortunately, the bill is written so that communities with the greatest "shortage" get the State monies. This sounds very equitable at first but this reasoning does not result in the best solution.

Washoe County, Reno and Sparks have been helping to fund NASAC for the last several years. This year the three entities contributed about \$75,000 to NASAC programs. Most other local governments around the State (both rural and urban) have not been funding alcohol abuse programs to the degree Washoe County has. Hence, it is obvious that the State bureau will determine that there is a "greater shortage" almost anywhere in the State than in Washoe County.

Washoe County will then be penalized for having addressed, even to a minor degree, the issue of alcohol abuse. Conversely an incentive is given to those communities which have done little or nothing in this area.

Washoe County believes that State grants should be administered in such a manner as to provide an incentive for local governments and communities to also contribute financially to the problem. Grants should not become an incentive to do nothing.

Under this bill, it is very likely Washoe County will get little State assistance because of our local funding support for alcohol abuse programs.

The second and most important issue to Washoe County is that of local control. The Board of County Commissioners firmly believes that local communities, not the State bureau, should have the final say in determining our needs and the priority of those needs. We don't mean to imply the State bureau hasn't done the best job it can. However, only those people in the community who are closest to the problem can legitimately establish the needs of that community. The State Legislature has strongly endorsed this philosophy of local control as evident by the "Sagebrush Rebellion." As local officials we are only asking that the State Legislature apply this philosophy to local communities as well.

Washoe County does support the concept of AB 257. This bill allocates the funds generated by an excise tax to a local board. This community board then determines the needs and funding allocations.

The Board of County Commissioners apologizes that none of its Commissioners were able to attend this hearing and we thank you for taking our written testimony. We stand ready to assist in any way we can.

  
Steve Brown  
Washoe County Commissioner

March 11, 1981

Good Afternoon Gentlemen:

My name is Arthur Senini, Vice President and General Manager of Beacon Distr. Company in Reno.

I address you this afternoon as President of the Wine & Spirit Wholesalers of Nevada and appreciate the opportunity to present a few brief remarks in opposition to A.B. #247.

First: The wine and spirit industry of Nevada does recognize the social problem of alcohol abuse within this state and country and extends itself to preach moderation rather than abuse. We do not encourage the use of our products other than in moderation. Many people would have us believe that we alone are responsible for the alcoholic and his problem. We in turn disagree with this concept of erroneous thinking. We feel that we are no more responsible for this social problem than the druggist is for the drug abuse problem. The tobacco people are responsible for lung cancer problems...or the gasoline industry or the automobile industry is responsible for our highway death toll.

Second: Our industry stands opposed to A.B. #247 and its 10% increase measure. We (our industry) has already experienced a marked set back some two years ago when California dropped Fair-Trade. Total tax monies to the general fund were decreased significantly. It was a % decrease and we are still in a recovery posture. The current proposal could again result in a significant loss of business as this tax increase measure would put us above that of California.

TAX SCHEDULE

	<u>Nev. Current</u>	<u>Nev. Proposed</u>	<u>California</u>
Distilled Spirits	\$1.90	\$2.09	\$2.00
Dessert Wine	.50	.55	.02
Table Wine	.30	.33	.01
Beer	.06	.066	.04

*Arthur Senini II.*

Gentlemen: Let us please use our heads..keep the tax structures to our advantage and not jeopardize the business structure of our state as well as jeopardize the tax revenues to the General fund.

Third: Our group<sup>does</sup> stand opposed to the proposed concept of designating or earmarking collected taxes for special interest or interest purposes. We openly accept the responsibility of collecting alcoholic beverage taxes and forwarding same to the Nevada Tax Commission which in turn deposits same in the General fund. If the Legislators of this State wish to address themselves to the alcohol abuse problems, (which we do encourage and not oppose) then let these monies come from the General fund utilizing the expertise of the Ways and Means Committee of this House.

Thank you.

# BEN'S DISCOUNT LIQUOR

P.O. BOX 3172

RENO, NEVADA 89505

702-329-3353

BEN-NEVADA'S LARGEST  
LIQUOR DEALER

## NEVADA LIQUOR TAX

BEN'S #1  
190 SO.  
CENTER  
RENO,  
NEV.  
323-5806

Based on Gross Volume of 1,000,000 gallon

BEN'S #2  
901 W. 4th  
& KEYSTONE  
RENO,  
NEV.  
323-6277

### In existence

### Proposed

30¢ per gallon on 14% alcohol	.33
50¢ per gallon on 22% alcohol	.55
\$1.90 per gallon on over 22% alcohol	\$ 2.09

BEN'S #3  
U.S. 50 &  
KINGSBURY  
STATELINE,  
TAHOE  
588-6175

750,000 gallon @ \$1.90 = \$1,425,000	@ \$2.09 = \$1,567,500
200,000 gallon @ .30 = 60,000	@ .33 = 66,000
50,000 gallon @ .50 = 25,000	@ .55 = 27,500

\$1,510,000

\$1,661,000

BEN'S #4  
U.S. 50 EAST  
in WHSE. MKT.  
SHOP. CEN  
CARSON, NEV.  
882-0728

Gain

\$151,000

### If Volume Goes Down 10%

BEN'S #5  
ONANZA  
SO. CENTER  
4700 NORTH  
VIRGINIA  
RENO, NEV.  
322-0588

750,000 - 75,000 = 675,000	x \$2.09 = \$1,410,750
200,000 - 20,000 = 180,000	x .33 = 59,400
50,000 - 5,000 = 45,000	x .55 = 24,750

1,494,900

BEN'S #6  
2375 ODDIE  
MALL  
ODDIE BLVD.  
RENO, NEV.  
359-4010

Original amount	\$1,510,000
Proposed amount less 10% in volume	<u>1,494,900</u>

Loss in Liquor Tax Revenue

\$ 15,100

BEN'S #7  
259 S. BRIDGE  
WINNEMUCCA,  
NEV.  
623-5445

### Loss in Sales Tax Revenue Due to Loss in Volume

1,000,000 gallon x \$10 per gallon	\$10,000,000 x .035 =	\$350,000
1,000,000 gallon - 100,000 = 900,000	x \$10 per gallon =	<u>315,000</u>
\$9,000,000 x .035 =		

Loss in Sales Tax Revenue

\$ 35,000

BEN'S #8  
960 HOLMAN  
PYRAMID  
SHOP. CEN.  
SPARKS, NEV.  
359-5444

*Carl Holt III* 90



**WINE & SPIRITS WHOLESALERS  
OF NEVADA**

P.O. BOX 338  
RENO, NEVADA 89504

C. O. WATSON  
Executive Secretary

(702) 786-6456

March 2, 1981

AB 247 - Proposed 10% Increase in Liquor, Wine & Beer  
Taxes for the Purpose of Initiating Detoxifi-  
cation Centers for Rehabilitation of Alcoholics

Wine & Spirit Industry's Position with reference to AB 247.

In the interest of making available information concerning the economic status of the wine and spirit industry as related to revenue generated for the general fund for the State of Nevada, listed below you will find a comparison of dollar revenue for the most current five fiscal years. The volume and percent of change are as follows:

<u>6/30/76</u>	<u>6/30/77</u>	<u>6/30/78</u>	<u>6/30/79</u>	<u>6/30/80</u>
<u>\$ 9,724,208</u>	<u>\$10,535,519</u>	<u>\$11,136,74</u>	<u>\$11,066,216</u>	<u>\$10,887,524</u>
<u>+9.5%</u>	<u>+8.3%</u>	<u>+5.7%</u>	<u>- .6%</u>	<u>-1.6%</u>

From the above, it is evident that for the fiscal years ending 1976 and 1980, the growth rate was as shown below:

1976 - + 9.5%

1980 - - 1.6%.

In addition to the no growth and negative growth, the decrease from 1976 to 1980 was 11.1% and in 1979 there was negative .6% growth and in 1980 there was negative 1.6% growth.

One of the basic factors in the no growth revenue for the spirit industry is that in June, 1978, our neighbor to the West, the State of California, repealed the fair

*Exhibit IV*

March 2, 1981

Page /2/

trade law and became competitive with Nevada for the consumers' dollar spent for wine and spirits. The proposed 10% increase would establish the spirits rate per gallon at \$2.09 compared to \$2.00 in California for all spirits with 22% or more alcohol.

With reference to wine, which is basically up to 13%, the tax rate would increase to \$0.33 per gallon and there is no tax in the State of California for the wine dollar.

With reference to beer, the rate would be increased to \$.065 per gallon. In California, the rate is \$0.04 per gallon.

In addition to the tax differential this would create, spirit, wine and beer distributors have a freight factor in excess of the California rate because of geographic location. This can vary from \$0.50 to \$1.50 per *case*. Therefore, not only would the wine & spirit industry have a disadvantage in the market place for the consumer dollar from a freight standpoint, but also from a tax standpoint.

In Northern Nevada there is a considerable range California population that comes to Reno for all types of shopping, including food, clothing and beverage. Within a 150 mile range - the perimeter being Placerville, Auburn, Orville and Chester, California - there is a considerable population that does their shopping in Reno, and certainly if the dollar price was less in California, they would discontinue shopping in Nevada and would not have the problem of transportation of the product.

In comparing the growth of Nevada in the past 10 years from a population standpoint, the population was as follows:

1970 - 488,738

1980 - 729-679

Percentage of growth - + 49.3%.

March 2, 1981

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Tourist housing - I do not have the State growth rate for tourist housing, but I do have the information for Northern Nevada as follows:

1975 - 13,603 rooms

1979 - 18,145 rooms

increase in tourist housing - = 34%.

Tourist traffic - I am confident that if you were to compare the actual numbers, which we do not have at the moment, that tourist traffic has increased 10% - 15%.

Therefore, for due consideration, even though there has been growth in population, tourist housing and tourist traffic, the wine and spirit industry growth has been negative as the above percentages indicate. The dollar volume indicated above does not include any inflation factors as the dollars arrived at are based on gallons imported.

In view of current economic conditions, it does not seem good business to increase the tax on a commodity that effects the state revenue as much as the liquor industry contributes to the State general fund.

The beverage industry does not believe or feel that it is practical to access or penalize the industry in order to support a social problem that is the responsibility of the entire business community. Certainly, there is no question but that alcoholism is a social problem and in our judgment AB 247 will not resolve or eliminate this problem.

If the financial and fiscal personnel of the State of Nevada feel there are sufficient funds in the general fund as contributed by all setments of the business community to support or contribute out of the general fund to this social problem, then that is a matter to be considered based on the economic feasibility of the State to perform the service, but not a single, specific industry.

Respectfully submitted,

WINE & SPIRIT INDUSTRY OF NEVADA

CW/jw

ASSEMBLY

AGENDA FOR COMMITTEE ON.....Health and Welfare.....

Date Wed., Mar. 11, 1981 Time 5:00 pm Room 316

**Bills or Resolutions  
to be considered**

**Subject**

**Counsel  
requested\***

- | Bills or Resolutions<br>to be considered | Subject   | Counsel<br>requested* |
|--|---|-----------------------|
| A.B. 247-                                | Increases excise tax on liquor and directs use of increased revenues for treatment of alcoholism. |                       |
| A.B. 267-                                | Requires report of complications of abortion.   |                       |
| S.B. 144-                                | Amends certain provisions relating to public health.  |                       |
| S.B. 147-                                | Provides for intermediate emergency medical technicians.  |                       |

\*Please do not ask for counsel unless necessary.

GUEST LIST

PLEASE PRINT!

Date: March 11, 1981

35

PLEASE PRINT YOUR NAME	PLEASE PRINT WHO YOU REPRESENT	I WISH TO SPEAK		
		FOR	AGAINST	BILL NO.
Martha W. Coon	Gov's Adv Bd. Alcohol & Drugs			
<del>R. M. Lucas</del>	<del>SELF - CONCERNED</del>			
Bill Wolitz	NASAC	✓		
Mike NASH	BUREAU OF ALCOHOL & DRUGS			
AL ASHLEY	OIKOS	✓		
Vivian FREEMAN	SELF		✓	267
Nancy Dunkowski	SELF	✓		247
Sue Mellich	self	✓		247
Kris Martin	self			
DAVID W. HAGER	U.S. BREWERS ASS		✓	247
Kurt BROWN	CAPITAL BEVERAGES		✓	
BEN AKERT	SELF RETAILERS		✓	247
Arthur SENINI	Baron Dist.		✓	247
<del>Richard G. GEORGE JR.</del>	<del>Butler Discount Liquors</del>		✓	247
Murray Cohen	Nat. Food & Beverage Ass'n	✓		247
WARREN MOHR	Eastern Nev. Alcohol & Drug	✓		247
Orin L. Linn	State Alcohol Drugs	✓		247

GUEST LIST

PLEASE PRINT!

Date: \_\_\_\_\_

PLEASE PRINT YOUR NAME	PLEASE PRINT WHO YOU REPRESENT	I WISH TO SPEAK.		
		FOR	AGAINST	BILL NO.
<i>[Handwritten Name]</i>	<i>[Handwritten Name]</i>		✓	AB 247
Charles W. Williams	Reno Police Dept	-		AB 247
Ruth Glick	Self		✓	AB 267
Ken Newcomb	Greater Nevada Health System Agency	✓		AB 247 SB 147
<i>[Handwritten Name]</i>	Health Planning & Resources			AB 547
MIKE McNEER	Planned Parenthood		✓	AB 267
DROTHY NORTH	RURAL SUBSTANCE <sup>ABUSE</sup> TASK FORCE	✓		AB 247
DAN MILES	Legislative Council Bureau	✓		SB 144
DICK STEINBERG	Fitzsimmons House, Inc.	✓		AB 247
Larry Katzburger	LVMPD	✓		AB 247
ELMER RUSCO	AMER. CIVIL LIBERTIES UNION	✓		AB 247
Fred Nance	Greater Reno Col C		✓	AB 247
<i>[Handwritten Name]</i>	NEVADA JAMES ASSOC	✓		SB 144
Allison W. J. [Handwritten]	CSPN - OIKOS	✓		AB 247
Michelle Johnson	OIKOS	✓		AB 247
Cheryl Grubbs	OIKOS	✓		AB 247
Candy Martinich	OIKOS	✓		AB 247

