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MEMBERS PRESENT: Senator Close  
 Senator Keith Ashworth  
 Senator Don Ashworth  
 Senator Ford  
 Senator Hernstadt  
 Senator Raggio  
 Senator Wagner  
 Mr. Stewart  
 Mr. Sader  
 Mr. Thompson  
 Ms. Foley  
 Mr. Beyer  
 Mr. Price  
 Mr. Chaney  
 Mr. Malone  
 Mrs. Cafferata  
 Ms. Ham  
 Mr. Banner

MEMBERS ABSENT: None

GUESTS PRESENT: See EXHIBIT A.

Senator Close called the meeting to order at 9:05 a.m. and began with SB 502.

SB 502: Limits local gaming license fees and investigations.

First to testify was Mr. Robert Faiss, who was appearing as counsel for the Nevada Resort Association. He explained that this bill had been requested by leaders of the gaming industry in order to lessen the duplication between state and local governments in the licensing, regulation and taxation of gaming, and reduce the expenditure of public and private funds in those areas.

Mr. Faiss then noted that this is not a complex bill, having only four essential features; its size is due to the need to add references to the various statutes governing licensing of liquor and gaming, and the taxation of gaming by the different local jurisdictions. He said that the bill leaves undisturbed the dual jurisdiction of state and local governments over gaming. It leaves undisturbed the exclusive local jurisdiction over such aspects of licensing as zoning, architecture, public safety and construction. It leaves undisturbed a local government's right to govern the operation of gaming establishments, to regulate gaming establishments and to revoke a gaming license if the licensee violates local gaming ordinances.

Mr. Faiss pointed out that the first feature of this bill is the elimination of the need for a liquor or gaming license applicant to satisfy local government of his integrity, ability

Date: Thursday, 9 April 1981

Page: 2

associations, affiliations or financial condition after he has already done so through the application process of the State Gaming Control Board (GCB) and the Nevada Gaming Commission. He said these organizations are the finest investigative bodies in the country and satisfaction of their requirements should also suffice for local governments. He added that a local jurisdiction is not required to grant a liquor or gaming license, even if the state has granted one.

The second feature of SB 502 is a prohibition against a local government subjecting someone to an investigation and approval process when the state gaming authorities have not found that a state approval of that person is necessary.

The next feature is a provision that a publicly traded corporation which is registered with the Nevada Gaming Commission is not subject to local investigation and approval, nor is any of its officers, directors, stockholders or employees. Mr. Faiss explained that this section of the bill addresses an additional problem to that of duplication of effort and cost: an ordinance claiming the right to investigate a stockholder of a publicly traded corporation requires that corporation to make that disclosure. This would require a major expenditure of funds for legal counsel by the corporation.

Finally, the bill prohibits gaming license fees being based upon gross revenue. Historically, local license fees have been restricted to games and slot machines; this is the proper taxation system. A license fee based upon gross revenue requires local government staff to conduct audits of gaming records, which they do not do otherwise. The audit on a flat license fee simply involves going to the casino and counting the number of games and slot machines.

Mr. Faiss further said that having a gross revenue system makes possible the same types of massive extensive conflicts over markers as has been exhibited and experienced over a great number of years.

Mr. Faiss summarized his testimony by saying it was his belief that this bill would not, in any way, weaken local licensing control. He believes it will save money and manpower and eliminate delay and inconvenience.

At Mr. Sader's request Mr. Faiss reviewed some of the problems which have arisen in the past over these issues and which led to the request for this bill.

In reply to Senator Wagner Mr. Faiss explained that while this bill would, technically, take away the power of the local government to make a decision contrary to state government and thus would limit local control to some extent, in practice there would be no change because the local governments have never, to his knowledge, exercised this right.

Date: Thursday, 9 April 1981

Page: 3

Next to testify on SB 502 was Mr. David Russell, counsel for the Gaming Industry Association of Nevada, who said this bill had been prepared in consultation with his Association. He stated that Mr. Faiss had covered many of the same points the Gaming Industry Association believed to be important, but he did wish to add to that portion of the testimony dealing with publicly traded corporations.

Mr. Russell said it has been his experience that the counties simply do not have the manpower, investigative or otherwise, nor the licensing departments, etc. to get into this highly complicated area. Additionally, the investigation of such corporations is extremely expensive, and he felt it unnecessary for both the state and the county to undergo such expense. He further noted that the amount of paperwork involved was ridiculous, since the forms used by the counties differ greatly from those used by the state. There is also the issue of Securities Exchange Commission regulations and the requirements imposed by local ordinances and their impact on disclosure statements. This bill should help eliminate some of these problems.

Mr. Russell terminated his testimony by saying his Association supports SB 502.

Senator Ashworth asked Mr. Russell what effect subsection 3 of section 5, page 3 would have in regard to the license basis as far as the gross revenue is concerned. He replied that as far as he knew Clark County is the only one that has adopted the gross revenue tax, and that the Gaming Industry is concerned about the counties and cities getting into the gross revenue area. He explained that this would involve an entirely different mechanism for calculating the tax, and it would also involve, if done correctly, going completely into auditing of these gross revenues. As a policy position both the Resort and Gaming Industries would like to limit the tax to a fixed, flat-fee tax, and not have the counties compete with the state on a gross revenue basis.

It was explained to Ms. Ham that the counties have differing flat-fee taxes at present, but that the gross revenue tax would undoubtedly be quite a bit more than any flat-fee tax.

Regarding the involvement of the local law enforcement agencies in the early stages of the investigation by the GCB, they are brought into the picture as early as possible to permit them the introduction of any evidence or information they might have concerning the licensees or the applicants. It is not necessarily the same with the cities and counties, although the GCB does try to conduct the local investigations in cooperation with the local law enforcement agencies.

There followed a discussion of the benefits and problems of both revenue taxes and flat-fee taxes and which would be the more appropriate for the counties to levy.

Date: Thursday, 9 April 1981

Page: 4

Senator Close noted that the recommendation of the interim subcommittee studying the issue of involvement in licensing at the local level was that the counties be permitted, in extraordinary circumstances, to make a second investigation in addition to that done by the state.

Mr. Faiss said that, while he felt the interim subcommittee had been an excellent one, there could be problems in the future if a local jurisdiction is allowed to reinvestigate. He added that he did not foresee this happening within the next few years; but in the future, when new people are on the scene, there could be a tendency to overuse and/or abuse this power, setting a precedent, and causing a problem with selective application of the law, with public relations, etc. Mr. Faiss further stated he did not believe this weakens the counties' control, since nothing prevents the counties from cooperating with the state and pointing out to them in any regard during the state investigative process any qualms they might have and requesting further investigation by the state as part of the original investigation.

Senator Close said he found it difficult to accept Mr. Faiss' premise that the county's control has not been lessened. SB 502 allows the counties to have input and ask questions during the state's investigation, but it does not allow them to have any influence whatsoever upon the state's final decision as to whether or not to license the applicant.

Senator Close replied to Senator Keith Ashworth that there is a bill, SB 39, which would allow the counties, in extraordinary circumstances, to make a second investigation, and it is this bill which resulted from the interim subcommittee's recommendation.

Mr. Price questioned whether, in developing this bill, the Industry gave any consideration to the philosophy of home rule government. He wondered whether this bill might be compared to the problems of the state in preventing the federal government from stripping the states of their rights in terms of gaming, etc.; is the state stripping the counties and/or cities of these same rights? Mr. Faiss did not feel this to be a valid comparison, since he was unaware of any instance where a county had not agreed with the state's findings and permitted the granting of a gaming license. Since there has been no conflict between the state and the local governments, it seems unnecessary to go through the same process twice. Mr. Faiss added that this bill does not restrict the local governments' right to decide how many liquor licenses are going to be issued, where they will be issued, etc.; it merely eliminates the duplication of investigating to see whether that person is fit to hold a privilege license.

Mr. Faiss went on to suggest that the reason this double system exists in the first place is because the state has only recently become involved in gaming. Previously, the sheriffs were in charge of gaming, and there has been a gradual erosion of local power, where the state was superimposed upon the

Date: Thursday, 9 April 1981

Page: 5

local governments. He added that, if gambling were to be legalized in Nevada today, he did not feel the Legislators would want a lot of jurisdictions involved in it, nor a lot of different ordinances controlling this prime industry throughout the state. SB 502 is simply an attempt to further standardize one of the processes (investigation) involved in the control and regulation of the gaming industry.

Mr. Robbins Cahill, of the Nevada Resort Association, came forward and explained how the flat-fee differs from the gross revenue tax which has recently been enacted in Clark County in reply to a question from Senator Wagner. Senator Keith Ashworth added to this explanation.

Mr. Cahill then went on to explain how the two different taxes affect the gaming industry and why the industry prefers the flat-fee tax. He added that the industry is quite willing to accept an increase in this tax should it be necessary in order to help the counties meet their increasing budgetary needs. He pointed out, however, that a revenue tax is not really the answer to ensuring the counties will automatically get additional monies as gaming revenues increase, and he pointed out that this could, in fact, raise problems vis-a-vis the caps placed upon the county budgets.

Senator Raggio also commented on the effects of these two types of taxes upon local budgetary caps, noting there is no real problem in this area with the flat-fee tax, but it would be extremely difficult to have any type of control with a gross revenue tax. He stressed that this issue should be carefully scrutinized.

Senator Close then stated he wished to hear testimony from the counties for a while.

Mr. Manny Cortez, a Clark County Commissioner, came forward to testify in opposition to SB 502 because it purports to remove and/or infringe upon local government jurisdiction and authority in this area. He pointed out that Clark County has worked very closely with both the state and with the interim subcommittee in an attempt to identify and correct problems connected with duplication of effort. He added that Clark County has already taken the steps necessary to remedy those problems brought to their attention.

Mr. Cortez noted the County Commission is concerned about being totally and completely removed from any control over gaming, one of the state's, and Clark County's, primary industries. He said that, as a county, they are expected to provide all of the services that go along with building a new hotel--sewer, water, police protection, fire protection, etc.--and yet this bill would remove them from regulating or having any say in who can conduct business in their county.

Date: Thursday, 9 April 1981

Page: 6

Mr. Cortez explained this bill would prohibit a county from calling in any member that works for a gaming casino for suitability as a key employee. He noted that, while the county has never denied a license once the state has granted one, there have been at least two occasions where the state licensed a key employee and the employee, knowing he would not be licensed by the county as a result of their investigation, withdrew his application for a license.

Mr. Cortez said that the worst aspect of SB 502 is that it is the first instance where there will be state involvement in the control of liquor, an area where, until now, the counties have had sole responsibility for investigation and licensing. He then read subsection 5 of section 6 of this bill.

Mr. Cortez also stated he could not see what is wrong with the counties levying gross revenue rather than flat-fee taxes. He added that if gross revenue taxes are so terrible, perhaps the state should look into changing over to a flat-fee tax.

In reply to Senator Wagner, Mr. Cortez said that the county has never refused a license to an applicant who has already received a non-restricted license from the state, although the county has refused licenses for some small tavern, Class A, applicants.

Mr. Cortez also told Senator Wagner that since adopting their new ordinance, the county has only opted to continue an investigation on an applicant already licensed by the state in two instances.

There followed several questions from Committee members concerning when and why the county conducted duplicate investigations, and why the county felt it necessary to retain this power. Mr. Cortez, along with Mr. Fitzpatrick, explained that the counties do help in local auditing and investigating for a state license, and that they try to keep as closely involved as possible in these matters.

In reply to Senator Hernstadt Mr. Cortez explained the differences in amounts collected by the county since going from a flat-fee to a gross revenue tax, the effects of this change-over upon the casinos, and how the system is maintained and monitored.

Mr. Price raised the point that if a county does not have the power to grant a license, then it does not have the authority to revoke one, either. He further noted that gaming establishments also have to obtain business licenses from the county, and that if necessary the counties could use the "back door" approach and add restrictions to these business licenses to give them some of those powers over gaming which they will lose under SB 502. This would not be a popular action, however. Finally, Mr. Price questioned whether, since the Police Department actually conducts the investigations rather than the county, the term "its own" in subsection 5 (a) of section 6 meant the investigation

Date: Thursday, 9 April 1981

Page: 7

conducted by the police, or whether the counties could get around this section of the law on this technicality. It was assumed that, since the police were doing the investigation at the request of and for the county, then it was the county's investigation.

Mr. Bill Farr, Chairman of the Washoe County Commission, testified next on SB 502. He said he was also Chairman of both the Liquor License and Gaming License Boards for Washoe County.

Mr. Farr said he wished to point out several facts to the Committee:

- a) There are two kinds of liquor licenses: an import license and a local license; the former requiring a somewhat more intensive investigation than the latter.
- b) This is a special interest bill authored by the industry itself.
- c) Local law enforcement agencies are heavily involved in policing the gaming establishments--more so than the state--and this is one reason they should also be involved in the original licensing investigation.
- d) The gross revenue tax system seems to work well for the state and appears to be working well in Clark County also. Washoe County will continue to monitor this tax's success in Clark County, but it appears to be working so well that it is very likely Washoe County will also consider instigating this type of tax system.

In reply to a question from Senator Wagner, Mr. Farr said that the Washoe County Liquor and Gaming License Boards convene twice a month in Washoe County. He stated that the Board reviews the results of the investigation made by the 6-man licensing investigation unit of the Sheriff's Department at this time. He added that the Sheriff's Department does obtain the results of the state's investigation and that these are almost always accepted at face value, however, there are times when local follow-up checks are made. He said that the Board feels the Sheriff's Department's investigation is an extremely thorough one.

Mr. Beyer asked in what areas the county felt they needed to supplement the state's investigation. Mr. Farr could not name any, and stated he simply had a letter from the Sheriff's Department which indicated the Department did not want to give up their investigative responsibility at this time, stressing the fact that this would take away local control.

At this point Senator Close noted that only he and Mr. Stewart of those present had served on the interim subcommittee studying gaming bills. There was a great deal of testimony given during,

Date: Thursday, 9 April 1981

Page: 8

this time, yet this information is not in the hands of those legislators currently considering these same bills. He added that he and Mr. Stewart would attempt to make this information available to the Committee members.

Senator Raggio pointed out that the County Gaming License Board does not pass on non-restricted licenses in the cities of Reno or Sparks, but only in non-incorporated areas of the county. Thus, in addition to the county, there is also involvement at the city level.

Mr. Farr told Senator Ford that he does support the types of restrictions contained in SB 39.

Next to testify on SB 502 was Mr. Robert Hadfield, County Manager of Douglas County, whose testimony was based upon the written statement attached as EXHIBIT B.

EXHIBIT C concerns Douglas County gaming fees and the method of computing such fees.

Mr. Farr ended by stating that Douglas County feels very strongly that this bill should not be passed in its present form.

In reply to Senator Raggio it was noted that Douglas County charges a license application fee of \$400 for a combined liquor and gaming application; Clark County charges a gaming license application fee of \$175, plus the cost of the investigation.

Mr. Shannon Bybee, of the Golden Nugget, came forward to testify next. He restricted his comments to that testimony on the bill dealing with revenue taxes. He said his casino, and in his opinion all casinos, are willing to pay their fair share of taxes, both to state and local government. The question is how those taxes are assessed. He noted that the main attraction of the gross revenue tax is that the tax revenues grow at a faster rate with this system than with flat-taxes. Thus, during the present inflationary period, the public officials do not have to take a public stand to increase taxes; it happens automatically. This, Mr. Bybee said, is the main complaint of the casinos: the tax revenues are allowed to grow without the people who spend that revenue having to come back and take a position to justify that increase in tax revenue. Mr. Bybee also noted the counties may be attempting to get around the revenue cap by having the gross revenue tax system.

SB 320: Revises provisions on computation of gross revenue received by gaming establishments.

Senator Close stated that since there was not much time left he preferred to postpone the hearing on SB 320 and reschedule it for a later date.



Date: Thursday, 9 April 1981

Page: 9

SB 418: Authorizes state gaming control board to charge for cost of certain investigations outside state after licensing or registration.

Mr. Richard Bunker, of the Gaming Control Board, testified first on this bill. He noted that it is the responsibility of the GCB to investigate licensees and applicants for licenses in Nevada. A 1976 District Court ruling however, stated the GCB does not have the authority to assess investigative fees for anyone who has already been licensed. He proceeded to present to the Committee members three alternatives which would permit the GCB to accomplish their mandated task of investigating licensees:

- a) Pass SB 418.
- b) Remove the responsibility for these investigations from the GCB.
- c) Supplement the GCB budget to the extent it would be necessary to conduct these investigations. (This alternative has already been presented and explained to the money committees.)

Mr. Bunker explained that a guesstimate of the cost of alternative c is approximately \$150,000 per year. He stressed this was strictly a guess estimate, and that it could vary greatly from year to year depending upon the number and type of investigations required.

Mr. Bunker said it was his opinion that it was both unfair and unjust to ask the taxpayer and the balance of the industry to pay for those licensees who have, for one reason or another, violated the law and thus made an investigation necessary.

Mr. Beyer asked whether the individual would be charged for an investigation and/or audit if the investigation found the alleged violation to be non-existent. Mr. Bunker said there would be no charge in the case of an audit. He stated, however, that not all investigations immediately indicate guilt or innocence, and if an extensive investigation were required, then the money has to come from somewhere. He added that the Legislature could mandate that the GCB only investigate those cases where the GCB was sure they could prove wrongdoing, but this guideline would have to come from the Legislators.

Regarding the exceptions listed in the bill, it was noted that the only exception is intended to be those who have less than 15 slot machines; i.e., a restricted licensee. This bill is for the non-restricted licensee, not the restricted licensee.

Next to testify was Mr. David Russell, counsel for the Gaming Industry Association. He noted that SB 418 had been discussed by the Association with the GCB on several occasions, and that they had a basic philosophical difference on who should pay for the post-licensing investigation.

Mr. Russell proceeded to outline the history of this bill, ending by saying that both the Resort and Gaming Associations oppose SB 418. He said they do support the authority of the GCB to conduct these investigations, they simply oppose having to pay for them. He pointed out it wasn't fair to have an applicant pay for an investigation of allegations made by others against him. He added that licensees have paid fines if there has been a violation, but this does not mean the GCB should include the price of the investigation in the fine, thus almost forcing the GCB to find something wrong.

Mr. Russell also pointed out that, as soon as an issue hits the local and/or national press, the GCB is almost compelled to go out and investigate the matter. The licensees should not have to pay for this investigation.

There are disciplinary procedures at present set up by the GCB, including the ability to assess a fine; that fine could include the cost of the investigation, as long as it does not become necessary to prove wrongdoing in order to assess the cost of the investigation to someone.

Mr. Russell summarized by saying this matter could best be handled by increasing the GCB's budget to cover the costs of such investigations; this is an internal, administrative and/or budgetary problem and it should not be expected that the licensees pay for these investigations. For this reason the Resort and Gaming Associations support increased funding for the GCB in the post-licensing investigation area, and are willing to so indicate to the budget committees.

Senator Close apologized for not scheduling enough time to hear all the bills listed on the agenda, and said new hearings would be scheduled as soon as possible. He then adjourned the meeting at 11:00 a.m.

Respectfully submitted,

*Pamela B. Sleeper*

Pamela B. Sleeper  
Assembly Attache

JOINT  
SENATE AND ASSEMBLY  
JUDICIARY COMMITTEES  
GUEST LIST

DATE: Thursday, 9 April 1981

PLEASE PRINT YOUR NAME	PLEASE PRINT WHO YOU REPRESENT	I WISH TO SPEAK		
		FOR	AGAINST	BILL NO.
W. N. CAMPBELL	NEVADA RESORT ASSOC.			
Robert Faiss	" " "			
ROBBINS (AHL)	" " "			
JERRY HIGGINS	GAMING IND. ASSOC.			
Shannon Bybee	Golden Nugget			
PHIL GRIFFIN	HAROLD'S CLUB			
A. Hanson	Natchez			
Bill Farn	Washoe County			
Jeffrey KAHN	Gaming Control Bd.			
R. W. Bunker	" " "			
Carl F. Dodge	Gaming Commission			
John H. Shultz	" Control Bd			
DALE ASKEW	GAMING CONTROL BOARD			
Harlan Elges	" " "			

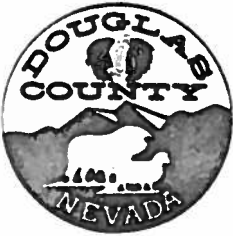
EXHIBIT A

1386

JOINT  
SENATE AND ASSEMBLY  
JUDICIARY COMMITTEES  
GUEST LIST

DATE: Thursday, 9 April 1981

PLEASE PRINT YOUR NAME	PLEASE PRINT WHO YOU REPRESENT	I WISH TO SPEAK		
		FOR	AGAINST	BILL NO.
DAVID RUSSELL	Gaming Industry Association			
SUSAN HAASE	Assoc. for Retarded Citizens	✓		SJR 25
Walter Graham	Western Keith Ashworth			
Robert HADFIELD	DOUGLAS COUNTY		X	
Patty Becker	DAG Gaming Division			
Lynne Carter	Gaming Control Bd			
<del>_____</del>	UP/			



**BOARD  
OF  
COUNTY  
COMMISSIONERS**

**ROBERT S. HADFIELD**  
*County Manager*  
(702) 782-5176

**COMMISSIONERS**  
Kenneth Kjer  
*Chairman*  
Herb P. Witt  
*Vice-Chairman*  
Barbara J. Cook  
M.D. Meyer  
R.A. Oswald

April 9, 1981

Chairman Melvin Close  
and Honorable Committee Members

Douglas County attended all hearings, both in northern and southern Nevada, conducted by the Subcommittee on Gaming, Chaired by Senator Close, at which time we presented written and oral testimony addressing the committee's concerns. Douglas County, in response to the discussions during the hearings, amended our local gaming ordinance to eliminate duplication in the investigative activities, but reserved the right to conduct additional and more in depth investigations if the County Commission deemed it appropriate for the public health, safety and welfare of the community. Such an investigation would only be conducted on the advice of the Sheriff or District Attorney, with the concurrence of the Commissioners. We believe that the local entity in which the business activity is conducted should have a review authority, such as that provided in our ordinance, to insure that community standards can be maintained in the interest of the public. We also, in our testimony, supported the standardization of forms to be used at all levels of government.

Douglas County has allowed zoning in our Master Plan consistent with our desire to recognize the important role of gaming in our local economy. However, it must be understood that the zoning was authorized with the consideration that the local governing body would have review authority over the particular business. It should be noted that zoning does not address existing uses and transfer of management

JOINT SENATE AND ASSEMBLY JUDICIARY COMMITTEES  
THURSDAY, 9 APRIL 1981

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1388

and ownership. Over the past two years our local gaming industry has made dramatic transitions from locally owned businesses to multi-national corporations. Senate Bill 502, as proposed, would prohibit local review and findings of suitability in these transfers, as well as any future transfers and expansion.

In the matter of gaming fees and the method of computing such fees, it is our strong conviction that local government should retain full authority. The local entity is most knowledgeable of the impacts of gaming on the local community and the services required; and therefore is the most qualified to establish fees. During our previous testimony at the subcommittee meetings, a complete written analysis of our gaming fee structure was provided as an example of a responsible evaluation of the impacts of gaming and the fees necessary to mitigate these impacts.

In summation, we believe that Douglas County has acted in good faith and in a responsible manner in addressing the concerns presented to us during the subcommittee hearings conducted over the past year. We cannot overemphasize the need for local government to retain involvement in the issuance of gaming licenses.



BOARD  
OF  
COUNTY  
COMMISSIONERS

ROBERT S. HADFIELD  
County Manager

(702) 782-5176

COMMISSIONERS  
Kenneth Kjer  
Chairman  
Eugene Osburne  
Vice-Chairman  
Harold P. Dayton, Jr.  
Daniel R. Hickey  
Herb P. Witt

July 26, 1980

Senator Mel Close  
Chairman  
Sub Committee on Gaming Matters  
Carson City, Nevada

Dear Chairman Close and Members of the Committee:

This testimony is being submitted to you in response to the request for expanded testimony at the July 21, 1980 work session in Las Vegas. It is submitted in the spirit of cooperation to insure a full discussion of the gaming license and fee issues.

The attached information was prepared for consideration of the Douglas County Commissioners during the review of the annual county budget and gaming fee structure in the county. As presented, it identifies the impacts of the gaming industry on Douglas County government services and financing capabilities. It is intended to provide a fair and equitable basis for evaluating the impacts of gaming county wide with the purpose of establishing realistic parameters to evaluate the gaming fee increase proposal.

The enclosed information includes the original request the I made of the Board of Commissioners showing a total increase of \$1.3 million to offset impacts the gaming industry places on county government. This would have offset the 41% impact that I show is created by the gaming facilities. After many public hearings and meetings this newly generated income figure was reduced to \$650,000.00 which showed the gaming enterprises contributing 37% of the revenue need by Douglas County to maintain the 1980/81 budget. Actually, \$400,000.00 was needed to balance the budget and \$250,000.00 was needed to exercise the option on the Kahle property which I feel you are all familiar with.

The Board of Commissioners implemented the increase by placing a fee on all slot machines in facilities of 250 or more at \$80.00 per year per machine, leaving the old rate of \$32.00 per year on each machine in those facilities with less than 250. All games are charged \$800.00 per year. After the many hearings and comparisons to other jurisdictions as well as reviewing the impacts they create on Douglas County we feel that these fees are very fair and reasonable and will not have a dramatic economic effect on the operation of those facilities affected.

JOINT SENATE AND ASSEMBLY JUDICIARY COMMITTEES  
THURSDAY, 9 APRIL 1981

July 26, 1980  
Senator Mel Close

Page 2

I have also enclosed in the attachments some of the material that was reviewed by the commissioners to determine the impacts along with testimony of a representative of the gaming industry. It has been, and will continue to be, our intent to cooperate with the gaming industry to reach agreement on any fees charged. It is not the intent of the Douglas County Board of Commissioners to "kill the goose that lays the golden eggs" or to charge fees that will be excessive and cause hardship to our main industry. At the same time, it is our responsibility to make sure that the industry carries its fair share of the economic impacts on the community.

As evidenced by the enclosed materials the action on the fee increase by the Board of Commissioners was undertaken only after careful analysis, thought, efforts to compromise, and in the interest of providing vital public services.

Thank you for your consideration in this matter and for allowing Douglas County to submit this information.

Very truly yours



KEN KJER, Chairman  
DOUGLAS COUNTY BOARD OF COMMISSIONERS



DOUGLAS COUNTY GAMING FEE INCREASE REQUEST

Current annual charges of county and state:		County only:	
Slot machines	\$152.00	32.00	
Games	\$732.00	132.00	
Requested increase including county and state:		Adopted by County	
Slot machines			
under 200	\$ 152.00	under 250	32.00
200 or more	\$ 300.00	250 or more	80.00
Games	\$1450.00		800.00

\*Review of charges by other jurisdictions:

Washoe County

Keno 800  
Cards 700  
Slots 160

City of Reno (incl. Washoe County)

Keno 2900  
Cards 1750  
Slots 310

Clark County

Keno 4600  
Cards 1500  
Slots 278

City of Las Vegas (incl. Clark County)

Keno 4900 plus 6.00 per chair (includes bingo)  
Cards 2100  
Slots 398

Carson City

Cards 720  
Race book 1400  
Slots 160

\*All of these fees are per documents of each county of 1976 and 1978.  
It is our understanding that some jurisdictions had increased from  
these figures recently.

Op. Cases - slots 70 =  
 games 668.00

<u>Bancroft</u>	565 slots @ 48	27,120	
	8 games @ 668	5,344	3246
<u>Herricks</u>	1526 slots @ 48	73,248	
	158 games @ 668	105,544	17879
<u>Lantern Inn</u>	394 slots @ 48	18,912	
	22 games @ 668	14,696	14696 3360
<u>Luxury</u>	1527 slots @ 48	73,296	
	69 games @ 668	46,092	119380
<u>Messia</u>	933 slots @ 48	44,784	
	91 games @ 668	60,788	105,572
<u>Shore Place</u>	1181 slots @ 48	56,688	
	123 games @ 668	82,164	138,852
<u>Tugget</u>	274 slots @ 48	0	
	7 games @ 668	4676	4676
<u>Forest Lodge</u>	44 slots	0	
	7 games @ 668	1336	1336
<u>Overland Tapes</u>	91 slots		
	6 games @ 668	4008	4008
<u>Sharky</u>	115 slots		
	4 games @ 668	2672	2672

621,368

Accepted

TO: Douglas County Commissioners

FROM: Ken Kjer, Chairman

I wanted to place the information presented at the hearing on the gaming fee increase in writing for your review prior to the next meeting. The information to develop these figures was taken from the 1979 Nevada Gaming Abstract, 1976 Economic Research Associates report on the Role of Gaming in the Nevada Economy which was produced by the Nevada Gaming Industry, 1980/81 Budgets of Douglas County and all special districts, and the analysis of revenue for the 1978/79 budget developed by Margaret Tragaskis, our fiscal officer at that time.

Impacts on County Economy

The Economics Research Associates report states that in 1976, 4 to 5 million visitors came to Lake Tahoe and, based on the Lake Tahoe Visitors Study, October 1975, 85.5% of these visitors participated in gambling. Assuming that, with the expansion of facilities over this time frame, the visitors have increased and also use of gaming increased. Also, I have included in this packet a copy of a Forest Service Report speaking to the fact that their survey shows 15,000,000 visitors annually. I still felt that it would be more conservative to use the 5,000,000 figure. With that in mind, I made the following calculations:

5,000,000 visitors times 85.5% = 4,275,000 divided by 365 days = 11,712 as the average daily population. Of course it must be assumed that these visitors add to the local economy in other ways and some of the 5,000,000 people would be here without gaming however the conservative figure of 5,000,000 along with allowing 14.5% for this use does seem a fair figure to account for these impacts.

The State of Nevada Tax Commission based our spending cap figure on 16,766 permanent residents so, adding that to the tourist population we have an average daily population of 28,478 people. In percentages this amounts to 59% permanent population and 41% tourist population. Please note that this is average daily population which additionally gives benefit to the gaming interests in these calculations. We are aware that the majority of the visitors are here on the weekends and during the summer. Based on this we must gear our many departments (sheriff, road, building and safety, etc) to be prepared to handle up to 100,000 - 200,000 people at any given time. Although these peaks occur only a few times during the year Douglas County must budget year round to be prepared for these impacts, which is a significant cost.

Based on this, I feel we can safely assume that 41% of the County services relate to gaming tourism and 59% relate to residents and other tourist attractions.

The total cost of all Districts is \$3,459,034 (including fire districts). The cost to maintain County services amounts to \$11,061,423 for 80/81 (this includes the reallocation of funds requested on April 21, 1980 for Kingsbury Grade, a grand jury, Kahle option, etc.). Totaling these figures we show the need to generate \$14,520,457 to provide all services in the County (with the exception of schools).

As to how the revenue is generated I offered the following:

NON CASINO - RELATED INCOME:

Property Taxes	\$ 2,893,638	
Room Tax (1%)	12,000	
Liquor Tax (40%)	24,000	
Work Permits (5%)	3,000	
Cigarette Tax (25%)	41,121	
State Liquor (40%)	13,516	
County/City Relief (25%)	225,000	
	\$ 3,212,275	

Other Revenue (federal funds, inlieu taxes, fees, etc.)	\$ 5,289,057	
	\$ 8,501,332	59%

CASINO - - RELATED INCOME:

Property Tax	\$ 1,119,488	
Gaming Fees (100%)	2,800,000	(Based on proposed new rates)
Room Tax (99%)	1,188,000	
Liquor (60%)	36,000	
Work Permits (95%)	57,000	
Cigarettes (75%)	123,362	
State Liquor (60%)	20,275	
County/City Relief (75%)	675,000	
	\$ 6,019,125	41%

Based on the above, I tried to show relationship of costs to impacts. Of course, dissension could arise saying 100% of work permits should be casino or a portion of gaming fees should be allocated to non-casino revenue(grocery stores, bars, small casinos, etc.). Since I did not have the opportunity to analyze each small fee, I did give benefit to each category as seemed reasonable.

There is also many questions as to other revenue (federal funds, in-lieu taxes, etc.) and why were they credited to non-casino revenue. In my opinion, these funds would be available to the County with or without gaming so I feel that it properly should be credited as showed. These funds can be listed as follows:

Franchise Fees	\$ 5,000
Building Permits	300,000
Marriage Licenses	75,000
Mobile Home Seals	5,000
Engineering Fees	20,000
Planning Fees	8,000
Merchant Permits	500
Fines & Fees	375,000
Motor Vehicle Licenses	20,000
Civil Defense	17,000
Probation Subsidy	18,000
Federal Grant in Aid	65,000
Ceta	35,000
Revenue Sharing	31,731
Taxes in lieu	60,000
Forest Patrol	10,000
Assessors Commission	20,000

Penalties (Taxes)	\$	75,000
Interest Earned		400,000
RRPT Taxes		150,000
Misc. Income		5,000
Revenue Sharing (Roads)		236,000
Data Processing (Enterprise)		79,654
Data Processing (Fees)		5,000
Insurance Reserve		18,000
Regional Streets (Gas Tax)		229,992
Road Operating (Gas Tax)		173,750
County Construction (in-lieu interest)		805,000
Weed		36,000
Trust Sales		100,000
Ambulance Fees		57,600
Airport Fees		61,000
Library Fees		4,000
Recreation Fees		118,450
Opening Fund Balances		<u>2,679,427</u>
	\$	5,939,104

You will note that I used \$ 5,289,059 instead of \$ 5,939,104 giving a difference of approx. \$650,000. This was done to be, again, conservative in the presentation considering that we may lose certain federal funds, building permit fees may be reduced due to slowing in construction and many other variations that may occur both through the year and based on challenges by the gaming interests that they may also contribute to certain of these funds. I believe that the conservative approach was not only fair to the gaming interests but did give them the advantage in this analysis.

I would also stress that, based on information previously presented to us by Bob Hadfield, there will be no new funds available next year or later years for the purchase of the Kahle property. Because of inflation and cost of living increases, and in order to protect the financial integrity of the County, the \$250,000.00 budgeted this year appears to be the only money available for that project now or in the future. Based on this, I did state that I would oppose any additional funding for the purchase of this property out of funds we are now creating to operate the county in future years. All efforts will be made to get funding from the State of Nevada, donations from individuals and groups and possibly selling portions of the property for different type uses.

The Las Vegas Convention and Visitors Authority estimates that 9.2 million visitors came to Las Vegas in 1975. Based on room counts and occupancy levels, 5.3 million of these visitors stayed overnight, representing nearly 20 million visitor-days.

For Reno-Sparks, the total number of visitors for 1975 is estimated at 8.7 million--nearly as many as Las Vegas. However, applying estimates of hotel room inventory and average length of stay, only 3.4 million of these visitors stayed overnight, representing 5.7 million visitor-days. Thus, although Reno estimates it gets nearly 95 percent of the number of visitors as Las Vegas, the tourist contribution to the economy, in terms of overnight visitor-days, is only 30 percent that of Las Vegas. A summary of these visitor calculations is presented in Table 1.

The Lake Tahoe region has from 4 to 5 million visitors a year. While Tahoe visitors substantially contribute to Douglas County's gaming receipts, they generally tend to go to casinos for several hours of gaming and entertainment rather than spend several days in the casino-hotels which is typical of Las Vegas visitors. They therefore contribute less in overnight visitor-days.

Over the last decade, Nevada has seen a significant growth in visitation nearly every year. As shown in Table 2, visitation to the Las Vegas area has increased by 35 percent from 1970 to 1975. Similar trend data is not available for Reno or the rest of the state due to less comprehensive tourism statistics for those areas.

#### Mode of Transportation

The automobile is the major mode of travel for both Reno and Las Vegas visitors. In 1975, about 80 percent of Reno visitors and 55 percent of Las Vegas visitors traveled by auto. Both cities however experienced a lower proportion of automobile visitors due to higher gasoline prices and the 55 m. p. h. speed limit.

which is also above the national average, but significantly lower than that of Las Vegas.

#### Purpose of Tourist Visits

A recent 1975 survey, conducted by the University of Nevada, has statistics for visitors in the Las Vegas region. Where multiple responses to the question, "What motivated you to come to Las Vegas?", were allowed, visitors indicated that they were most motivated by "gambling" (40 percent), "get away" (23 percent), "entertainment" shows (35 percent), and "curiosity" (13 percent) for their visit, while only 3 percent indicated business as the purpose of their trip. In another survey conducted by the Bureau of Census, and where only one response was allowed, 60.7 percent of those polled indicated their visit to be for the purpose of entertainment and sightseeing. (See Tables 6 and 7). Although gambling was not offered as a unique choice as a purpose, it is included in the entertainment and sightseeing category. Business and convention trips accounted for the next largest category for trip purpose in this survey, with many of these visitors attracted to the area for either business or conventions because of the gaming attraction.

While the above surveys asked for the "primary motivation" for the visit, a recent ERA survey of visitors to Lake Tahoe asked vacationers in what activities they participated. Even for an outstanding outdoor recreation area like Tahoe, 74.2 percent of the area visitors and 86 percent of South Shore visitors participated in gaming. This was the single most popular activity after "rest and relaxation" (see Table 8).

Combining the Las Vegas and Lake Tahoe results, ERA estimated that gaming is participated in by at least 80 percent of Nevada visitors.

Table 8

ACTIVITY PARTICIPATION  
BY LAKE TAHOE VISITORS

	North Shore	South Shore	Total <sup>1/</sup>	Percent Participation by Gambler
Rest and Relaxation	92.0%	85.2%	86.9%	87.2%
Gambling	67.8	<u>85.5</u>	74.2	100.0
Sightseeing	74.7	67.7	67.5	69.7
Shows/Nightlife	63.8	71.3	60.6	73.4
Swimming	51.7	41.7	43.1	39.2
Hiking	47.1	32.6	38.4	31.7
Snow Skiing	32.2	24.5	29.2	25.9
Fishing	30.5	29.6	28.7	26.8
Boating/Water Skiing	26.4	18.7	20.9	18.4
Tent Camping	16.7	18.1	18.3	15.6
RV Camping	5.7	9.7	8.7	8.7
Tennis	19.5	15.4	16.8	14.5
Golf	16.7	13.3	13.1	13.8
Other	8.0	6.0	5.1	5.6
Average Activities per Visitor:	5.5	5.2	5.1	5.3

<sup>1/</sup> Includes visitors to Tahoe areas other than North and South Shores.

Source: Lake Tahoe Visitors Survey, October 1975.



COUNTY OF DOUGLAS  
 Analysis of Revenue 1978/79 Budget

	Club Related %		Club Expense	Amount	Total
Ad Valorem Tax (20¢)	Y .2268	Yes	\$ 115,046	\$ 392,015	
Ad Valorem Tax - Fire - County	No	No		115,242	
Ad Valorem Tax - Fire - Districts	N/A	N/A		425,558	
Ad Valorem Tax - Title XIX	N/A	N/A		193,600	
Total Ad Valorem Tax					1,126,415
Opening Balances & Reserves	N	N/A			1,398,681
Gaming Revenue	Y .9500	Yes	1,085,000	1,141,500	
Room Tax	Y .9900	No	948,000	957,600	
Interfund Transfers	No			916,240	
Sales Tax	Y .7500	No	665,250	887,000	
Gas Tax	No			337,300	
Building Pennits	Y .3300	No	84,000	255,000	
Revenue Sharing	No			201,613	
Taxes in Lieu	No			167,560	
Cigarette Tax	Y .7500	No	111,500	148,700	
Grant-in-Aid	No			93,718	
Liquor Tax - License	Y .6000	Y	48,900	81,500	
Work Permits	Y .8000	No	32,000	40,000	
All Other	N			602,000	
Total			\$3,089,696	\$8,354,917	

Comments:

1. Douglas County Property owners pay \$276,969 at the 20¢ Ad Valorem Tax Rate or approximately 3.3% of the total Budget.
2. Clubs' Expenses - \$1,248,946 or approximately 15% of the total.
3. Club Related Income is approximately 37% of total.

5-1-78

IMPACTS ON INDIVIDUAL GAMING OPERATIONS - LAKE TAHOE

	<u>CURRENT CHARGES</u>			<u>REVISED CHARGES</u>			<u>INCREASE</u>
	<u>Slots</u>	<u>Games</u>	<u>Total</u>	<u>Slots</u>	<u>Games</u>	<u>Total</u>	
Barneys	85,880	5,856	91,736	169,500	11,600	181,100	89,364
Harrahs	231,952	115,656	347,608	457,800	229,100	686,900	339,292
Harveys Inn	59,888	16,104	75,992	118,200	31,900	150,100	74,108
Harveys	232,104	50,508	282,612	458,100	100,050	558,150	275,538
Caesars	141,816	66,612	208,428	279,900	131,950	411,850	203,422
Sahara Tahoe	179,512	90,036	269,548	354,300	178,350	532,650	263,102
Mugget	41,648	5,124	46,772	82,200	10,150	92,350	45,578
<u>CARSON VALLEY</u>							
Pinetuc Lodge	5,688	1,464	8,152	6,688	2,900	9,588	1,436
Overland Topaz	13,832	4,392	18,224	13,832	8,700	22,532	4,308
Sharkeys	17,460	2,928	20,408	17,480	5,800	23,280	2,872
	1,010,800	358,680	1,369,480	1,958,000	710,500	2,668,500	1,299,020

*Original proposal - not adapted*

1401

# AVERAGE WIN PER UNIT

3-19

CASINOS WITH GAMING REVENUE OF \$1 MILLION AND OVER  
For the Fiscal Year Ended June 30, 1979

	Las Vegas Strip	Downtown Las Vegas	Resort/Spa Area	South Lake Tahoe	Blue Chippewa	Balance of State	Statewide Total
<b>TWENTY-ONE</b>							
Upper quartile	\$475,970	\$159,750	\$113,800	\$182,830	\$125,680	\$150,000	\$165,100
MEDIAN	211,300	120,630	88,900	141,080	92,560	106,170	112,380
Lower quartile	124,980	95,090	71,720	96,140	80,100	68,190	85,800
<b>CRAPS</b>							
Upper quartile	1,815,570	740,750	295,100	614,890	307,120	426,720	645,970
MEDIAN	818,080	536,350	214,850	336,480	219,100	331,690	323,670
Lower quartile	500,480	283,850	139,320	143,230	163,890	186,630	195,590
<b>ROULETTE</b>							
Upper quartile	689,630	217,810	121,800	260,000	126,970	143,970	260,000
MEDIAN	349,230	175,750	90,320	161,230	69,700	94,030	135,690
Lower quartile	198,530	71,370	48,340	116,210	38,320	61,500	70,210
<b>5¢ SLOT MACHINE</b>							
Upper quartile	9,490	9,870	5,630	4,690	6,770	7,880	7,910
MEDIAN	7,260	7,140	4,570	4,160	5,370	4,990	5,580
Lower quartile	5,630	4,810	3,760	3,760	4,100	4,050	4,170
<b>10¢ SLOT MACHINE</b>							
Upper quartile	12,960	10,360	7,840	8,080	9,280	9,700	10,060
MEDIAN	10,160	8,720	6,130	6,160	8,750	7,060	7,730
Lower quartile	7,140	5,290	5,040	5,240	5,040	5,250	5,480
<b>25¢ SLOT MACHINE</b>							
Upper quartile	20,100	17,900	11,740	13,790	22,580	18,370	16,570
MEDIAN	16,140	11,760	8,990	10,250	15,590	12,490	12,170
Lower quartile	12,960	7,720	7,080	5,450	10,330	9,810	8,460
<b>50¢ SLOT MACHINE</b>							
Upper quartile	17,530	16,210	11,550	17,920	13,830	12,140	14,160
MEDIAN	12,820	9,360	8,340	7,120	9,570	8,550	9,300
Lower quartile	7,020	5,470	5,290	6,310	5,000	4,240	5,620
<b>\$1 SLOT MACHINE</b>							
Upper quartile	56,600	39,630	30,410	43,030	82,430	41,290	44,660
MEDIAN	41,780	33,360	24,320	44,850	31,360	35,640	32,300
Lower quartile	25,580	24,460	19,790	9,210	27,790	21,440	21,240
<b>KING</b>							
Upper quartile	1,719,670	2,027,500	938,510	1,786,570	481,200	1,308,160	1,447,370
MEDIAN	1,197,710	1,699,340	573,110	1,050,610	197,570	692,650	878,160
Lower quartile	878,160	1,085,930	382,060	251,470	171,120	290,070	401,190

1402

**CONDENSED INCOME STATEMENT**  
**CASINOS WITH GAMING REVENUE OF \$1 MILLION AND OVER**  
**For the Fiscal Year Ended June 30, 1979**

	Las Vegas Strip	Downtown Las Vegas	Resort/Sparks Area	South Lake Las Vegas	Clark County	Balance of State	Statewide Total
Number of locations.....	34	21	34	7	7	52	125
<b>REVENUES</b>							
Casino department.....	59.1%	71.4%	59.8%	60.2%	62.5%	62.5%	61.2%
Rooms department.....	14.1%	7.6%	8.8%	8.2%	5.5%	5.0%	11.7%
Food department.....	12.6%	10.5%	15.2%	16.1%	16.1%	16.7%	13.4%
Beverage department.....	9.3%	6.5%	10.9%	11.6%	8.3%	8.1%	9.3%
Other revenue.....	4.7%	4.0%	5.3%	3.9%	7.6%	6.7%	4.8%
Total revenues.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales.....	6.9%	7.5%	10.5%	10.9%	13.4%	15.3%	8.6%
Gross margin.....	93.1%	92.5%	89.5%	89.1%	86.6%	84.7%	91.4%
Direct expense.....	19.7%	43.6%	43.2%	35.0%	38.6%	38.4%	30.3%
Departmental income.....	51.1%	18.9%	46.3%	54.1%	48.0%	46.3%	51.1%
Total general and admini- strative expenses*.....	38.7%	29.5%	46.1%	46.4%	30.8%	36.9%	39.4%
Net operating income.....	11.7%	19.4%	0.2%	7.7%	17.2%	9.4%	11.7%
Amounts in thousands of dollars							
<b>DOLLARS</b>							
Total revenues.....	\$1,689,499	\$407,456	\$583,821	\$295,992	\$45,796	\$192,053	\$3,214,616
Average revenues.....	49,691	19,403	17,171	42,285	6,542	8,710	25,717
<b>QUARTILE RANGE</b>							
Upper quartile.....	82,345	37,726	11,580	65,316	7,813	12,996	31,564
MEDIAN.....	26,795	11,514	7,791	21,759	5,485	6,031	10,045
Lower quartile.....	9,211	2,852	5,526	6,744	3,682	3,616	4,121

\*See page 17.

Net operating income—before Federal income taxes and extraordinary items.

JOHN GIANOTTI, VICE PRESIDENT - HARRAH'S

Verbatim transcript of testimony given at the public hearing of the Douglas County Board of Commissioners meeting regarding an ordinance amending Section 5.04.020 of the Douglas County Code to increase the license tax required by Chapter 5.02 and other matters properly relating thereto.

Thank you, Mr. Chairman, members of the Douglas County Commission. My name is John Gianotti, vice president of Harrah's. The fact that you don't see any of the other casino representatives at Stateline, the casino core group which we call them, doesn't mean that I'm not voicing their opinions here at this meeting today. We are in concert. We are all in full accord. The...We've had spokesmen here for these meetings. They are well documented. We've recorded them through a court recorder, which you may have copies of. I think we've presented those to the county manager, so you do have those on record. This is not the first time that I've appeared before this board in regard to county taxes. I appeared in 1972 - some of you were here. I appeared again in 1975 and again in 1978 in regard to taxes that were directed at the gaming casinos. I've always felt and questioned the principle of additional taxing to a very few. And I think that's the reason that we came before you. We don't feel it's proper to solve county-wide problems through a discriminatory tax placed on individual businesses and I thought that that was the point that we tried to get across to this board in the many meetings that we had over the many months and then again in public hearings which we appreciate the opportunity to come and reflect some of the facts and figures that were reliable. Present to you to show you that these kinds of taxes that you are raising were unreasonable. Apparently, they didn't make much of an impression upon you. At times, I felt that this board was totally oblivious to our presentations - seemed somewhat arrogant. You came to this meeting one time with bulletproof vests. I was very much offended at that, for this board with the dignity that I assume that you have would do that thing to these people

who came to you to make a presentation to you to show you where we thought we were being unfairly treated. Let me tell you this, that those bulletproof vests will not do you any good at the legislature. Now, we've told you before and we're going to tell you again. When that legislature comes around, you'd better be prepared.

We had agreed at one time that we would take a reasonable tax. You came to us and you raised our taxes in the neighborhood of 100%. You have since then dropped them down. It is still not reasonable. We tried to point that out to you last time. Now, you're faced at that legislature with several things and I think it's reasonable to say that it will be effectuated at that legislature. One is a cap on gaming. And remember this on this day when you passed this ordinance on the second reading and it's noticed and comes into effect that that whole thing started at this county at this county commissioners' level. So when the other commissioners or the other counties come to you and ask you why, you just think back where it all came from. I would hope that all revenues that come from the gaming industry do not come to this county. I will push for, and fight for, and try to get our industry together to have all gaming taxes taken out of the hands of this county.

I would ask you today to look at that ordinance again and research down in your conscience and say to yourself, "Is that really reasonable." If you really feel that it is reasonable, you must pass that ordinance. But, you've also opened our eyes to some other things and we're totally in concert. That we're going to review our support to this county in a number of areas and not only to this county, but in our community projects too. And these are the kinds of things that we've given to you with open hand and most freely - so you think about that too. And when I say...I'm not giving you a threat. We've said that before. You can consider it a threat and that's fine; but, you certainly have alienated our industry. And you think back to what you're doing today, and in good conscience you feel that that's the direction to go, we have to accept it.

OVERALL PROFITABILITY OF SOUTH LAKE TAHOE CASINOS  
COMPARED TO THE BALANCE OF THE STATE  
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THE FOLLOWING FIGURES ARE PER THE STATE GAMING ABSTRACTS:

	<u>Net Operating Income As a % of Revenues</u>	
	<u>1971</u>	<u>1979</u>
South Lake Tahoe	9.2%	7.7%
Las Vegas Strip	4.2%	14.7%
Downtown Las Vegas	18.9%	19.4%
Reno/Sparks	5.6%	.2%
Elko County	5.5%	17.2%
Balance of State	9.4%	9.4%

All areas of the State have increased their profitability except for Northern Nevada.