

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON JUDICIARY

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
April 23, 1981

The Senate Committee on Judiciary was called to order by Chairman Melvin D. Close at 8:05 a.m., Thursday, April 23, 1981, in Room 213 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Melvin D. Close, Chairman
Senator Keith Ashworth, Vice Chairman
Senator Don W. Ashworth
Senator Jean E. Ford
Senator William J. Raggio
Senator William H. Hernstadt
Senator Sue Wagner

STAFF MEMBERS PRESENT:

Shirley LaBadie, Secretary

Chairman Close asked for a motion to approve the minutes.

Senator Wagner moved to approve the minutes of April 3, 6, 7, 8, 10, 13, 14, 15, 16, 1981.

Senator Don Ashworth seconded the motion.

The motion carried.

Chairman Close advised the committee there were two bills which dealt with the control of local gaming, S. B. No. 39 and S. B. No. 502. The issue is whether counties should be involved in the licensing of gaming which is S. B. No. 39 or the counties would be out under S. B. No. 502. S. B. No. 39 comes from the subcommittee but needs to be amended to reflect what was discussed. If no county control is wanted and the state having full responsibility for licensing of gaming, then S. B. No. 502 should be processed. Chairman Close asked for a motion for S. B. No. 39 since it appeared the committee wanted to process that bill.

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April 23, 1981

SENATE BILL NO. 39--Reduces duplication of state and local investigations for gaming licenses.

Senator Ford moved to process S. B. No. 39.

Senator Don Ashworth seconded the motion.

The motion carried. (Senator Keith Ashworth voted no. Senators Raggio and Hernstadt were absent for the vote.)

Chairman Close stated the concept of S. B. No. 39 is to allow the state to make the investigations of gaming matters. They in turn would give the results to the county. The county would review them, then 30 days thereafter would have the right to compel the licensee to be re-investigated or further investigated by the county. If no such determination is made, then the finding of the state is filed and the person would be licensed by the county without any further investigation, this would apply to unrestricted licenses.

Senator Keith Ashworth stated the problem lies with the finding of suitability by the county. The state does not license everyone, they license the owners and operators. The county for the purpose of additional revenue is picking and requiring the filing of the same information with the county that has been filed with the state for the finding of suitability. The emphasis of the interium committee on gaming was to try to standardize the forms. Chairman Close stated one of the problems found by the subcommittee is that the counties would not standardize their forms.

Chairman Close stated the county has complete authority to license a gaming establishment. Senator Raggio said he was against that. Senator Don Ashworth stated they should have the power to license the restricted or smaller ones, but the large ones, the work has already be done and should not be duplicated. Chairman Close stated, the investigation would not be duplicated, they do not have the right, do not do it now and will not do it in the future.

Senator Keith Ashworth stated he felt processing S. B. No. 39 was wrong and Senator Raggio agreed with him. Senator Raggio stated he felt the local entities should be taken out of the control and regulation of gaming and let the state do it.

Senator Ford suggested a subcommittee be appointed to work on the details of the bill because the committee could not agree among themselves. Chairman Close stated the bill was not drafted as it should have been and needed considerable work. Extensive discussion by the committee resulted in Chairman Close appointing a subcommittee.

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SENATE BILL NO. 502--Limits local gaming license fees and investigations.

Chairman Close stated there are other items in S. B. No. 502 besides taking the county out of gaming. The title indicates that it takes out the county gross receipts power. Senator Ford stated the cumulative effect of all the things being done are already in the hopper. Chairman Close stated to the committee, the issue now is whether or not Clark County, specifically should be allowed to continue gross gaming tax. The bill would exclude that power. Senator Keith Ashworth stated testimony should be received from the county because they had indicated previously they only did that to protect themselves against Proposition 6. They are being capped and they are being prohibited from allowing any increase in rate in gaming and the amount they can collect and they cannot spend it if they receive it. It was a diversionary move to another attempt by Clark County to circumvent S. B. No. 204 and prepare themselves for the eventuality of Proposition 6. They are the only county which does it and did discriminate against the larger hotels by giving the restricted licensee a tremendous tax break, the median stayed even and rolled up with the other. Senator Keith Ashworth stated he was supporting S. B. No. 502, but so far as his corporation was concerned, going back to the flat tax would hurt and cost more money. He felt it was morally wrong for the county to do what they did under the circumstances which they used.

Senator Raggio stated this tax is not used in Washoe County. This is one of the biggest sources of revenue to the State, that and sales tax and those two items should be guarded. He felt some restriction should be made on local entities infringing upon the gaming tax area on gross revenue.

Senator Keith Ashworth said if Clark County wanted to come with a new integrated rate for the tables, they should be able to do so, but to take 10% of the state taxes with the economy growing and with the gross volume increasing, and net profit decreasing, is wrong. Senator Ford asked if the bill is passed without a gross tax, then would it go back to the current flat fees. Senator Keith Ashworth said they would be constrained on 80% of the C. P. I., over a year they would be allowed 12%. They could enact an ordinance creating the same fees or a fee comparable to what they were receiving before. It would set a standard.

Senator Ford questioned the audit requirements under this bill. Chairman Close stated there is a companion bill, S. B. No. 34 which authorizes the gaming control to disclose to the county having a gross tax, the result of the state audit. The county must accept that audit report rather than getting their own audit.

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Senator Keith Ashworth stated he objected to anyone sharing the confidential audit reports. If it is put on the flat tax, they would have to go in and count machines and review the licensee.

Chairman Close stated when the subcommittee reviewed this situation, a decision was made to not review gross taxes. They decided if there is a gross gaming tax, and the gaming industry complained, then a statement would be authorized to disclose the revenue and the county would be compelled to accept that figure in paying the gross tax. The county and industry both agreed to the provisions. There is nothing in the bill which states the names of a credit customer or markers need to be disclosed. Senator Keith Ashworth stated the gaming industry asked that S. B. No. 502 be drafted to counteract the ordinance which the county adopted.

Chairman Close stated after discussion by the committee of S. B. No. 502, a decision would be made at a later time whether or not to process the bill.

SENATE BILL NO. 527--Makes various changes to the laws regulating gaming.

Ms. Patty Becker passed out amendments proposed by the gaming control board to the committee. See Exhibit C, D and E attached hereto.

The committee reviewed S. B. No. 527 with the proposed changes. Ms. Becker stated Amendment No. 9 was drafted before the hearings. She stated the proposed amendment in Section 2, which changed another business organization to "a corporate licensee" was done by Mr. Daykin's office.

Ms. Becker stated Section 3, page 3, is all new language. She said this section allows the board, if necessary in the investigative duties regarding persons with capital leases in the state of Nevada with slot machines, to find out who is the actual owner of the slot machine devices. Section 4 is an expansion of the gaming control act. Landlords are brought forward for suitability under the regulations and this provides the statutory power needed. This applies also to persons repairing, rebuilding or modifying gaming devices, there is no authority in the law presently. The law as presently drafted includes both restricted and non-restricted licences.

Ms. Becker stated the board's Regulation No. 3020 tracks with the proposed language, it appeared in January 1972. It states the commission or board may deem that premises are unsuitable

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for the conduct of gaming operations by reason of ownership of any interest whatsoever in such premises by a person who is unqualified or disqualified to hold a gaming license, regardless of the qualifications of the person who seeks or holds a license to operate gaming in or upon such premises. Ms. Becker told the committee the board has the ability to promulgate regulations on what is a suitable premise to have gaming conducted.

Ms. Becker stated the drafting of the bill by Mr. Daykin made several changes. He took all of the definitions out of the entire gaming control act because definitions should be at the beginning and the act is poorly drafted, this should provide a better gaming control act.

In reviewing the proposed amendment to Section 12 after the word "made" on line 30, Ms. Becker stated the industry objects to the amendment. (See Exhibit C attached hereto) They prefer that the bill be drafted as it is presently. She stated the board's amendment broadens the bill and allows them to file a lien whether or not a redetermination or judicial review is filed. The philosophy of the commission is that they would only file liens on institutions where there are problems. This is only an intent and not in the bill.

Ms. Becker stated the present language states if a petition for redetermination is filed, then they have to wait for the outcome of the determination prior to filing a lien. The amendment says the lien can be filed, then the lien is amended after the outcome of the judicial review. The consensus of the committee was to use the language presently in the bill.

Committee discussion resulted in the deletion of language on line 44, page 5, Section 12, after "lien" to "becomes a lien". The committee asked Ms. Becker to review the language on line 48, Section 12 and tell them what the intent was and report the following day.

Ms. Becker stated the changes in Section 14 were in the proposed Amendment No. 10 from the gaming control board. (See Exhibit D attached hereto.) Ms. Becker stated all the proposed amendments in No. 10 had been sent to the industry but no response had been received pro or con. Chairman Close stated he had not received any objections.

Senator Wagner asked what the distinction was between prizes or premiums in Section 17. Ms. Becker replied she could not make a distinction between them and if one section of the word is deleted, they will be in court for a long time.

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Ms. Becker stated with reference to Section 16, it is a codification of Regulation 6.100 which has been in effect since January of 1979. This provides for the exchange of money such as pesos or Canadian money apart from the gaming tables so there is no evaluation problem.

Ms. Becker advised the committee Section 18 is all new language. Chairman Close said there is a letter from Mr. James J. Joel, Deputy Chief, Investigations, Corporate Securities, attached to Exhibit D, for the committee's information.

In regard to Section 23, Ms. Becker stated it creates the structure of the board. Chairman Close asked if it is repealed, is it subject to confirmation by the commission. Ms. Becker replied no. The consensus of the committee was that this should not be done, it should not be completely repealed. Chairman Close stated if this is repealed, then the commission should approve the change. An amendment would be drafted to reflect this change to Section 23, line 7.

Due to lack of time, the committee postponed further discussion of S. B. No. 527 to the following day.

There being no further business, the meeting adjourned at 11:00 a.m.

Respectfully submitted:


Shirley LaBadie, Secretary

APPROVED BY:


Senator Melvin D. Close, Chairman

DATE: April 30, 1981

Submitted, but not mentioned:

Exhibit F, re S.B. 39
Exhibit G, re A.B. 341

SENATE AGENDA

EXHIBIT A

COMMITTEE MEETINGS

Committee on JUDICIARY, Room 213.

Day Thursday, Date April 23, Time 8:00 a.m.

Work Session

SENATE COMMITTEE ON JUDICIARY

EXHIBIT B

DATE: April 23, 1981

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME

ORGANIZATION & ADDRESS

TELEPHONE

Mark Griffin

Washoe County

785-4147

GCB AMENDMENTS TO S.B. 527

Section 2, page 1, lines 6-7: Amend as follows: "Controls, is controlled by or [engages in] is under common control with [another business organization;] a corporate licensee; and"

Section 12, page 5, lines 30-39: After the word "made" on line 30, all language through line 35 should be deleted. A new period should be added after "made" on line 30. Subsection 3 beginning on line 36 should be amended as follows:

"[3.] 2. The filing of a petition for redetermination which complies with the provisions of NRS 463.3883, or the filing of a petition for judicial review does not affect the lien or stay any action for the enforcement of the lien. If the amount due is modified upon redetermination or judicial review, the commission shall record a notice of the modification of the amount of the lien.

Section 15, page 6, line 43: Amend as follows: "[It is unlawful for any person to] No person shall operate or maintain in"

Section 31, page 15, line 22: Replace "without" with "pending" as follows: "... held [without] pending licensure or approval by the commission not longer than"

Section 42, page 26, lines 3-7: Subsection 4 on lines 3-7 should be deleted.

Section 42, page 26, lines 8 and 9: Add "463.373 or" as follows:

"Slot machines for which a fee is paid pursuant to NRS 463.373 or 463.375 are exempt from the fees prescribed in this section."

Section 43, page 27, lines 17-18: Add "463.373 or" as follows:

"Slot machines for which a fee is paid pursuant to NRS 463.373 or 463.375 are exempt from the fees prescribed in this section."

Ko2c

ROBERT LIST
GOVERNOR
RICHARD W. BUNKER
CHAIRMAN
JOHN H. STRATTON
MEMBER
DALE W. ASKEW
MEMBER
IRENE F. MORROS
EXECUTIVE SECRETARY

STATE OF NEVADA
GAMING CONTROL BOARD
1150 EAST WILLIAM STREET
CARSON CITY, NEVADA 89710

LAS VEGAS OFFICE:
4220 SOUTH MARYLAND PARKWAY
BUILDING D
LAS VEGAS, NEVADA 89156

RENO OFFICE:
1755 E. FLUMB LANE
RENO, NEVADA 89502
AUDIT: SUITE 110
ENFORCEMENT: SUITE 120

April 20, 1981

REPLY TO: _____

PHONE NO. _____

EXHIBIT D

Senator Melvin D. Close
Chairman, Senate Judiciary Committee
Nevada State Legislature
Carson City, Nevada 89710

Assemblyman Jan Stewart
Chairman, Assembly Judiciary Committee
Nevada State Legislature
Carson City, Nevada 89710

Gentlemen:

Attached please find:

1. Further Board amendments to S.B. 527 (GCB Amendment No. 10). These amendments are in addition to GCB Amendment No. 9 and were drafted as a result of testimony heard on this bill on April 15 and 16;
2. Memo dated April 14, 1981 from Deputy Chief James J. Noel;
3. Clarification of the Court's Order in the Desert Inn case.

I have attached enough copies of each document for the members of your committee and the record.

Sincerely,


RICHARD BUNKER
CHAIRMAN

RB/LC/jm
Attachments

1621

GCB FURTHER AMENDMENTS TO S.B. 527

As a result of the Joint Judiciary hearings on April 15 and 16, 1981, the following additional amendments are proposed to S.B. 527:

Section 7, page 2, line 30: When the definition of "work permit" was moved, the last sentence of the subsection was accidentally omitted. Therefore, on line 30 the following should be added: "A document issued by any authority for any employment other than gaming is not a valid work permit for the purposes of this chapter."

Section 14, page 6, lines 29-39:

Subsection 2 should be amended to read as follows: "The commission shall schedule a hearing within 5 days after [the effective date of the order pursuant to the provisions of NRS 463.312 and] receipt of the notice of defense. [f]For the purposes of this hearing, the emergency order shall be deemed the complaint."

Subsection 3 should be amended as follows: "The emergency order must state [the time and place of the hearing and] the facts upon which the finding of the necessity for the suspension is based.

Subsection 4 should be amended as follows: "The person whose work permit is summarily suspended must file a notice of defense within [3] 30 days after the effective date of the emergency order. Failure to timely file this notice waives his right to a hearing before the commission and to judicial review of the final decision."

A new subsection 6 should be added as follows: "Except as otherwise provided in this section, the procedures outlined in 463.312 shall be followed."

Section 19, page 7, lines 22-25: This section should be amended as follows: "Every sheriff , district attorney and chief of police shall furnish to the board, on forms prepared by the board, all information obtained during the course of [investigating or prosecuting any person whenever] any significant investigation or prosecution of any person if it appears that a violation of any law relating to gaming has occurred."

Section 26, page 10, lines 36-39: Additional language should be added at the end of this paragraph e as follows: "The former licensee shall be required to maintain all books, papers and records necessary for the audit for a period of one year from the date of surrender or revocation of his gaming license. If the former licensee files a petition for redetermination or

seeks judicial review of the commission's determination, then all books, papers and records must be maintained until a final determination is rendered.

Section 25, page 9, lines 14-31:

Subsection 3 on line 14 should be amended by adding at the beginning of line 14 the underscored language, "... and all information and data pertaining to an applicant's criminal antecedents and background furnished to or obtained by the board or commission from any source are confidential and must not be revealed in whole or in part except as ..."

Lines 15-17 remain unchanged.

Lines 18-31 should be deleted and replaced by: "The commission may reveal any information or data which is confidential under this section to an authorized agent of any agency of the United States government, of any state, or of a political subdivision of this state pursuant to regulations adopted by the commission."

Section 26, page 10, line 48: Add "... this state [.] and may exercise any proper law enforcement function or duty.

Section 31, page 15, lines 20-26: Amend as follows: "The board shall make its best effort to make its order upon an application for a position which cannot be held pending licensure or approval by the commission not longer than 9 months after the application and supporting data are completed and filed with the board. If denial of an application is recommended, the board shall prepare and file with the commission its written reasons upon which the order is based."

Section 56, page 33, lines 22-31: Amend as follows: "The holder of a state gaming license may, within [1 year] 2 years of cessation of business or upon specific approval by the board, dispose of by sale in a manner approved by the board, any or all of his gaming devices, including slot machines, without a distributor's license. [If the disposition is at the cessation of business, this exemption is valid for a single bulk of all gaming devices approved by the board.] In cases of bankruptcy of a state gaming licensee or foreclosure of a lien by a bank or other person holding a security interest for which gaming devices are security in whole or in part for the lien, the board may authorize [a single bulk sale] disposition of the gaming devices without requiring a distributor's license."

Section 57, page 34, line 1: The spelling of "greately" should be corrected.

1625

MEMORANDUM

REC'D LEGAL
APR 19 1981

DATE: April 14, 1981

TO: Patricia Becker
Deputy Attorney General

FROM: James J. Noel, Deputy Chief, Investigations
Corporate Securities

SUBJECT: Legislation

The gaming control agencies have experienced a problem created by a company offering common stock without being subject to prior approval. The company made false and misleading statements in its public relations and other offering circulars. Also, the company made gross exaggerations in other documents that were available to the investing public. This company has also had problems with the United States Securities and Exchange Commission.

Since about January 1, 1980 we have experienced a number of shell corporations coming forward for registration, and also for the making of public and private offerings. We need to review all offering circulars to protect the investing public from false and misleading statements such as indicated above.

dh, j

Clarification of Summa Corporation, dba Desert Inn vs. State Gaming Control Board and Nevada Gaming Commission, Eighth Judicial District Court, Case No. A189417.

On January 15, 1981, Judge Goldman issued the following clarification:

In all cases where there has been compliance with the internal control procedures and in accordance with the state gaming regulations, the document is presumed to be a bona fide gaming instrument and is presumably excludable.

CASE NO A189417 TITLE SUNMA CORPORATION d/b/a DESERT INN VS. STATE GAMING CONTROL BOARD AND NEVADA GAMING COMMISSION

DATE, JUDGE OFFICERS OF COURT PRESENT	APPEARANCES - HEARING
<p>12/4/80 PAUL S. GOLDMAN L. SMITH/CLERK G. LAPHORNE/ REPORTER AT THE REQUEST OF COURT - TO BE BILLED AS COST TO PARTY WHICH FAILS TO PREVAIL</p>	<p>PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT PLAINTIFF REPRESENTED BY ROBERT D. FAISS AND JERRY A. TRENBERTH, ESQUIRES DEFENDANTS REPRESENTED BY PATRICIA BECKER AND BILL HAMMER, DEP. ATTORNEY GENERAL. ARGUMENTS TO THE COURT BY MR. FAISS, MISS BECKER AND MR. TRENBERTH. COURT ORDERED, THIS MATTER TAKEN UNDER ADVISEMENT. COURT WILL NOTIFY COUNSEL OF DATE AND TIME FOR WRITTEN DECISION.</p>
<p>12/30/80 PAUL S. GOLDMAN L. SMITH/CLERK RENEE SILVAGGIO/ REPORTER AT REQUEST OF COURT</p>	<p>DECISION PLAINTIFF REPRESENTED BY ROBERT D. FAISS, ESQUIRE AND JERRY A. TRENBERTH, DEFENDANT REPRESENTED BY PATRICIA BECKER, DEP. ATTORNEY GENERAL, BILL HAMMER AND RICHARD BRYAN, ATTORNEY GENERAL. COURT READ ITS FINDINGS OF FACT, CONCLUSIONS OF LAW, OPINION AND ORDER IN OPEN COURT, THE SAME HAVING BEEN FILED 12/29/80 AT 6:22P.M. BEING PART OF THE RECORD. MR. FAISS REQUESTED A HEARING FOR POSSIBLE CLARIFICATION IN THE NEAR FUTURE, AND BY THE COURT, SO ORDERED. 1/8/81 @ 9AM CLARIFICATION OF THE COURT'S ORDER</p>
<p>1/15/81 PAUL S. GOLDMAN L. SMITH/CLERK NOT REPORTED</p>	<p>CLARIFICATION OF THE COURT'S ORDER PLAINTIFF REPRESENTED BY ROBERT D. FAISS AND JERRY A. TRENBERTH. DEFENDANT REPRESENTED BY PATRICIA BECKER, DEP. A.G. THE COURT STATED THAT IN ADDITION TO THE FINDINGS OF FACTS PREVIOUSLY FILED WITH THE CLERK OF THE COURT, THE COURT DOES ADD THE FOLLOWING: IN ALL CASES WHERE THERE HAS BEEN COMPLIANCE WITH THE INTERNAL CONTROL PROCEDURES AND IN ACCORDANCE WITH THE STATE GAMING REGULATIONS, THE DOCUMENT IS PRESUMED TO BE A BONA FIDE GAMING INSTRUMENT AND IS PRESUMABLY EXCLUDABLE.</p>
<p>2-24-81 J. CHARLES THOMPSON DEPT. I FOR X P. TAYLOR L. SMITH (CLERKS)</p>	<p>PLAINTIFF'S MOTION TO AMEND JUDGMENT Plaintiff represented by Cam Ferenbach; defendant neither present nor represented by counsel. Mr. Ferenbach advised counsel have agreed to submit the matter on the briefs. BY THE COURT ORDERED, on Judge Goldman's behalf, the matter will stand submitted on the briefs.</p>

ROBERT LIST
GOVERNOR
RICHARD W. BUNKER
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1755 E. PLUMB LANE
RENO, NEVADA 89502
AUDIT: SUITE 110
ENFORCEMENT: SUITE 120

April 21, 1981

REPLY TO: _____

PHONE NO. _____

EXHIBIT E

Senator Melvin D. Close
Chairman, Senate Judiciary Committee
Nevada State Legislature
Carson City, Nevada 89710

Assemblyman Jan Stewart
Chairman, Assembly Judiciary Committee
Nevada State Legislature
Carson City, Nevada 89710

Gentlemen:

At the April 16, 1981 joint judiciary committee hearings on S.B. 527, Harvey Whittemore, Esq. introduced an amendment concerning foreign securities exchanges. The Board had been given a copy of said amendment the previous day but time did not permit comment.

At this time the Board opposes adding this language to S.B. 527 and suggests that the language be drafted as a separate bill. Hearings on the new bill would allow time for comments from the Board and publicly traded corporations which have already been found suitable to acquire gaming licenses in this State.

Presently, the Board cannot support the concept of approving foreign exchanges as this area has not been adequately researched. This research would require, at a minimum, ascertaining how many exchanges could possibly qualify and whether or not the foreign publicly traded corporations could be approved by the SEC. In other words, if a foreign publicly traded corporation could comply with SEC requirements, would this be a better control mechanism than approving foreign exchanges? For these reasons, I suggest that the Legislature direct the Board to investigate the proposal, initiate discussion with the industry, and draft legislation, if necessary, to be submitted to the 1983 Legislature.

GCB PROPOSED AMENDMENT TO S.B. 39

EXHIBIT F

Amend Section 1, page 1, lines 18-22, and page 2, lines 1-7,
as follows:

3. Except as otherwise provided in this subsection, each county or city which licenses gaming shall accept the determination of the commission, as evidenced by its issuance of a state gaming license, that the holder thereof is suitable to conduct gaming. If the state license is for 15 or fewer slot machines and no other game or gaming device, the county or city may make such further investigation as it deems appropriate to determine suitability. [If the state license is of any other kind, and within 30 days after the state licensee has filed his application for a county or city license the county or city has specific reason to believe that the applicant may be unsuitable, the county or city may make its own investigation. If it then finds the applicant unsuitable, it shall promptly notify the board of the facts supporting this finding.]

GCB PROPOSED AMENDMENTS TO A.B. 341

EXHIBIT G

Amend Section 1, page 2, lines 6-17 as follows:

(b) Violation or conspiracy to violate the provisions of this chapter relating to:

(1) [The disclosure of] The nondisclosure of an interest, which must be licensed, in [or control of] a gaming establishment;
or

[(2) Influencing gaming; or]

[(3)] (2) Willful evasion of fees or taxes;

(c) Notorious or unsavory reputation which would adversely affect public confidence and trust that the gaming industry is free from criminal or corruptive elements; or [if the person seeks to engage in gaming activities; or]

(d) [Prior expulsion] Written governmental order which authorizes the person's expulsion by any governmental authority from an establishment at which gaming or pari-mutuel wagering is conducted.

Senator Close
Assemblyman Stewart
April 21, 1981
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If the committee desires to address this issue now, the Board suggests the following amendments. The word "unreasonable" should be deleted from page 2, Section 4, Subsection 1. No threat to gaming control can be tolerated, whether reasonable or unreasonable.

Also, page 3, Section 5, Subsection 3 should be amended to read:

Is registered on a foreign securities exchange that has been approved by the commission.

The Commission has the authority to deny suitability to any publicly traded corporation which is undercapitalized and could condition suitability in any manner necessary to ensure the safeguards proposed under 3(a), (b) and (c). It should be noted that publicly traded corporations do not pay tax and license fees, the corporate licensee pays these costs.

Finally, the Board suggests that some type of broad language establishing legislative intent be added along with the ability for the Commission to adopt regulations governing this area. It should be clearly stated that a publicly traded corporation which falls within this new definitional language must comply with all other provisions of the gaming control act.

These are rather simplistic comments to a complex issue. I again stress that the Board does not support the proposed language and requests time to study this proposed expansion of the gaming control act.

Sincerely,



RICHARD W. BUNKER
CHAIRMAN

RWB/PB/jm

cc: Nevada Resort Association
Gaming Industry Association of Nevada, Inc.
Harvey Whittemore, Esq.