REGULATION OF GAMING

Bulletin No. 81-1

LEGISLATIVE COMMISSION

OF THE

LEGISLATIVE COUNSEL BUREAU

STATE OF NEVADA

December 1980

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Senate Concurrent Resolution No. 49—Committee on Judiciary

FILE NUMBER 143

SENATE CONCURRENT RESOLUTION—Directing the legislative commission to study the gaming industry.

WHEREAS, The gaming industry is the largest industry in this state; and

WHEREAS, The gaming industry supports many related industries which rely on the tourists who come into this state because of the gaming industry; and

WHEREAS, A large portion of this state's revenue is derived both directly and indirectly from the activities of the gaming industry; and

WHEREAS, The unique nature of the gaming industry requires stringent control and regulation by the state; and

WHEREAS, It is in the best interests of this state and its citizens that a comprehensive review and evaluation of the gaming industry be made; now, therefore, be it

Resolved by the Senate of the State of Nevada, the Assembly Concurring, That the legislative commission is hereby directed to make a comprehensive study of all aspects of the gaming industry, including without limitation, gaming taxes, local regulation and the recruitment and salaries of gaming personnel; and be it further

Resolved, That the legislative commission report the results of the study and any recommendations for legislation to the 61st session of the legislature.

1979

REPORT OF THE LEGISLATIVE COMMISSION

TO THE MEMBERS OF THE 61ST SESSION OF THE NEVADA LEGISLATURE:

This report is submitted pursuant to the provisions of Senate Concurrent Resolution No. 49 of the 60th Session, which directed the legislative commission to study all aspects of gaming in this state and to submit to you its findings and recommendations. To conduct this study, the commission appointed a subcommittee composed of Senators Melvin D. Close, chairman, Carl F. Dodge, vice chairman, and James N. Kosinski, and Assemblymen Robert R. Barengo, Roger Bremner, Joseph E. Dini, Jr., Karen W. Hayes, Jansen F. Stewart, Darrell D. Tanner and Robert L. Weise. Their report, including drafts of recommended legislation, is attached.

Respectfully submitted,

Legislative Commission
State of Nevada

Carson City, Nevada
December 1980

LEGISLATIVE COMMISSION

Senator Keith Ashworth, Chairman
Senator Melvin D. Close, Jr., Vice Chairman

Senator Richard E. Blakemore
Senator Carl F. Dodge
Senator Lawrence E. Jacobsen
Senator Thomas R. C. Wilson

Assemblyman Robert R. Barengo
Assemblyman Joseph E. Dini, Jr.
Assemblyman Virgil M. Getto
Assemblyman Paul W. May
Assemblyman Robert F. Rusk

REPORT OF THE SUBCOMMITTEE FOR STUDY OF GAMING

Although the topics are so interrelated that they cannot be wholly separated in the following presentation, this report covers three principal topics: regulation of gaming and other wagering, taxation of gaming, and local control of gaming. The subcommittee considered other topics, the more important of which are mentioned to explain their disposition, but did not pursue them in detail, or recommend any change, for the reason succinctly and colloquially expressed: "If it's not broke, don't fix it."

I. State Regulation of Gaming

Effective regulation depends not only on the statutes enacted and regulations adopted, but upon the persons who must enforce them. At the subcommittee's request, the state gaming control board reported upon the status, as of January 1, 1980, of its investigations of applicants and audits of licensees. For investigations, the number of applicants who had filed but not been investigated were:

Junket representatives	450
Key employees	256
Holders of equity interest	125
Manufacturers or distributors	20

In the preceding 2 years, only 16 manufacturers or distributors were investigated in all. Because of this backlog, the board routinely requests of each applicant a waiver of the requirement imposed by NRS 463.210 that a recommendation of approval or denial be made within 90 days. The numbers of Group I licensees (nonrestricted licensees whose gross revenue exceeds $1,000,000--who are required by NRS 463.159 to be audited at least annually) who had not been recently audited were:

Not audited within 2 years	63
Not audited within 3 years	18
Not audited within 4 years	5

The total number of Group I licensees was reported as 163.

Certain materials presented by the board to the subcommittee in support of its suggestions for increases in personnel are included as Appendix B of this report. The subcommittee does not support or oppose these suggestions in detail; rather, it calls to the attention of the legislature its finding that the delays both in investigating and in auditing are significant in their potentially adverse effect on the state's ability to regulate its largest field of private enterprise and its largest source of public revenue. The subcommittee therefore recommends that in considering and approving the budget for the fiscal years 1981-1983, the committee on finance and the committee on ways and means give special attention to the needs of the state gaming control board for auditors and investigators, in respect both to salaries and to number of positions. In establishing salaries, the subcommittee recommends that a range of permissible salaries be provided for each position, so that an employee who gains experience can advance within his present position as well as by promotion to a higher position. The subcommittee suggests that appropriate criteria for considering each position include (1) whether there are positions similar in fact--not merely in title--elsewhere in state government and (2) if there are no such genuinely similar positions in state government, the compensation which the position's occupant could earn in private enterprise.

The subcommittee does recommend that the salaries of the chairman and members of the Nevada gaming commission be increased. Although these are still part-time positions, their demands substantially exceed those of most part-time boards in this state. BDR 41-196 is included in Appendix A to set these salaries.

Two recommendations are offered for statutory changes directly to strengthen the ability to regulate gaming. The subcommittee considered and rejected the suggestion made in past sessions of the legislature to authorize interception of communications (sometimes called "wiretapping") specifically for the investigation of suspected gaming offenses. The subcommittee does recommend, however, that evidence derived by or through the lawful interception of a communication under the laws of another jurisdiction (including federal law) be made admissible in the courts of this state and in administrative

proceedings such as the regulation of gaming. Any related expense or invasion of privacy has already been incurred or suffered, and it would serve no useful purpose for this state to disregard the results. BDR 4-481 is included in Appendix A for this purpose.

Another tool of investigation is the audit. NRS 463.160 already provides that the Nevada gaming commission may require a purveyor of goods or services to be found suitable for association with a gaming enterprise if the state gaming control board finds that his compensation is grossly disproportionate to the value of the goods or services. This could beg a question: suspicion might be aroused by an audit of the gaming licensee who receives the goods or services, but accurate determination of their value may require an audit of the purveyor. BDR 41-428 is therefore included in Appendix A to provide authority to audit the purveyor and to reduce the requisite for determination of suitability from "finding" to "reason to believe" that compensation is disproportionate. Thus the audit or the requirement to apply can be used alternatively or complementarily, as each situation may warrant.

Related to the efficacy of regulation is the prosecution of offenses related to gaming. At the suggestion and with the cooperation of the attorney general and of the district attorneys of Clark and Washoe counties, the subcommittee undertook a revision of chapter 465 of NRS, which deals with these offenses. Certain statutes which date from the era when gaming was prohibited in Nevada are to be repealed as obsolete. In place of complex details, a simple definition of "cheating" is provided. Penalties for second offenders are increased. BDR 41-206 is included in Appendix A to make these and related revisions. The subcommittee also recommends, in BDR 41-207, a clarification of the attorney general's authority to cooperate with a district attorney to prosecute gaming offenses, and a narrowly defined authority to proceed independently if a district attorney fails to prosecute.

The subcommittee considered whether the statutes which now prohibit injunctive relief against the administrative enforcement of gaming regulations or pending judicial review of administrative orders, but concluded that no change is required

by recent decisions of the courts. The policy of hampering as little as possible the workings of this administrative process remains sound. The subcommittee also considered the possibility of changes in chapter 463B of NRS, enacted in 1979 to provide for the operation under state supervision of a casino whose license is suspended or revoked, but recommends no change.

II. Regulation of Racing

The legislature in 1973 authorized dog racing in the state, and in 1977 extended the geographical areas where it may be conducted. Taking realistic note that an important incident to (often the principal motivation for) both dog and horse racing is pari-mutuel wagering, the subcommittee inquired into the probable adequacy of control over this form of wagering as its importance in this state increases. Under present law, pari-mutuel wagering is licensed by the Nevada gaming commission where it relates to jai alai and other sports (except racing). (Chapter 464 of NRS) Pari-mutuel wagering on racing is licensed by the Nevada racing commission after investigation of each licensee after investigation by the state gaming control board and recommendation by the gaming commission. (NRS 466.100 and 466.105)

The chairman of the Nevada racing commission explained to the subcommittee that, for all licenses except those to conduct pari-mutuel wagering, the commission relies primarily upon information received from the National Association of State Racing Commissioners, whose headquarters are at Lexington, Kentucky. At her suggestion, the subcommittee inquired of the executive secretary of the California Horse Racing Board concerning the adequacy of this source of information. This reply is attached as Appendix C, to the effect that this system is reliable and valuable but not a complete substitute for a state's own official investigative apparatus. The subcommittee's own analysis is that, if a change is to be made in Nevada's present method of licensing, it should (1) retain the expert knowledge of the racing commission for the investigation and licensing of individual participants in racing, such as owners, trainers, jockeys and veterinarians, (2) transfer the investigation of applicants to operate race tracks, whose operations may

be large and complex, to the state gaming control board while keeping the ultimate authority in the racing commission to license them, and (3) transfer the entire regulation of pari-mutuel wagering to the board and the Nevada gaming commission.

The subcommittee decided to recommend only that the legislature consider the adequacy of Nevada's present regulation of racing. If the legislature decides that a change should be made, BDR 41-430, included in Appendix A, would carry out the recommendations made in the preceding paragraph.

III. License Fees

The subcommittee makes no recommendation concerning the appropriate level of state fees for gaming licenses. This is a matter which must be considered, as it is expressly or tacitly at every session, in the light of the state's needs for revenue and the other sources available. A tabulation of gross and net revenues of the larger licensees is included in Appendix D.

The subcommittee does recommend the recognition of operators of slot machines divided among several small locations as a separate class, and their licensing as such. Under present law, the flat license fee for these machines is determined by the number at each location: $25 for 15 or fewer if there are no other games at that location, $40 otherwise. BDR 41-195, included in Appendix A, provides that the number of all slot machines operated as a route be aggregated to determine the flat fee, and the revenue from them aggregated to compute the fee on gross revenue. This places the operator of a given number of machines on a route in the same position as the operator of the same number of machines in a single location.

The subcommittee further recommends that a limit be imposed upon the amount of local license fees, at such a level that no local government is deprived of any fee now being collected but that these fees are not increased as a proportion of the licensee's gross revenue. No specific legislation has been prepared for this purpose, because the form of this limit should be integrated with other measures to augment or limit the revenues of local government from other sources. Appendix D contains information from the records of the department of

taxation concerning the revenues derived by local governments from gaming licenses.

IV. Local Regulation of Gaming

In the 1931 statute which legalized gambling in Nevada, the only provision for licensing was by the counties, although part of the revenue was paid over to the state. In 1945 a state license was required, administered by the Nevada tax commission, and in 1955 and 1959 the present administrative structure was created, but local licensing was retained as a further requisite. The situation now presented to the subcommittee was briefly, that:

A. The information required by local governments to determine suitability for a gaming license was largely the same as required by the state, but sometimes requested in a different format. This appeared to impose an unnecessary burden upon the applicant. BDR 41-452, included in Appendix A, is designed to minimize this burden.

B. It was theoretically possible for the state to approve an applicant and for a local government then to reject that applicant or afterward revoke his license. The subcommittee found no instances of this.

The arguments presented for the retention of local power to determine suitability were specious, going to such matters as controlling the location, size or parking facilities of a casino or the safety of its occupants. These are properly matters to be regulated through zoning ordinances or building codes, over which the local government would have full control regardless of the identity of the occupant.

Clark County, through commissioner Manuel Cortez, represented to the subcommittee that it is revising its ordinance on determining suitability for a gaming license (1) to accept ordinarily the state's determination of suitability with respect to nonrestricted licenses issued by the state and (2) to supplement the state's investigation with respect to restricted licenses, where that investigation is less searching. The

acceptance would cover the suitability of the licensee himself if a natural person, or of the principal officers and employees if a business organization. The acceptance would also constitute a determination of suitability to receive a county liquor license. The county reserves, however, the right to make its own investigation of a nonrestricted licensee if it has actual reason to believe him unsuitable. The subcommittee believes that this approach is a reasonable compromise. No change is therefore recommended in the statutory authority for local licensing, NRS 463.180, 463.190 and 463.240, but in order to assure that it is followed by other local governments which choose to impose a requirement of suitability separate from the state's requirement, BDR 41-452 incorporates its essentials into statute.

As a further measure to relieve duplication of public effort or private burden, the subcommittee recommends statutory authorization for the state to share its audits and reports of licensees with local governments whose license fees are likewise based upon gross revenue. BDR 41-218 is included in Appendix A for this purpose.

V. Accounting by Smaller Licensees

The regulations of the state gaming control board, adopted pursuant to NRS 463.156 et seq., govern the financial controls required of licensees to ensure the correct computation of license fees. It was brought to the attention of the subcommittee that some of these controls, appropriate for larger licensees, were unreasonably onerous for the smaller. The board suggested that it could develop its own forms suitable for smaller licensees to use without the aid of a professional accountant. The subcommittee recommends no legislation on this subject, but that the board report its actions to the committees on judiciary at the next session.

VI. Continuation of Study

The subcommittee believes that the legislature has a continuing need for full information on problems which may arise concerning the regulation of gaming in the future. It recognizes that not all of its recommendations for solutions to present

problems are necessarily final, that their actual working out needs to be observed and perhaps further legislation recommended to future sessions.

The subcommittee therefore considered recommending the establishment of an oversight committee similar to that provided by NRS 286.113 for the public employees' retirement system. This, however, appeared to present a possibility of too great legislative involvement with the workings of administrative regulation, inconsistent with the policy of precluding judicial involvement which underlies the limitation of judicial review and the preclusion of injunctive relief. Instead, therefore, the subcommittee recommends continuing the study of gaming by appointing another subcommittee for the next interim. BDR 429 is included in Appendix A for this purpose.

Appendix A

SUMMARY--Establishes annual salaries for members of Nevada gaming commission. (BDR 41-196)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to gaming; establishing annual salaries for the chariman and other members of the Nevada gaming commission; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 463.026 is hereby amended to read as follows:

463.026 1. [The members of the commission shall each receive as compensation $40 for each day actually employed on the work of the commission.

2. In addition to the compensation provided for in subsection 1, the chairman of the commission shall receive an annual salary of $500.

3.] The chairman of the commission is entitled to an annual salary of $15,000. Each of the other members is entitled to an annual salary of $12,500.

2. In addition to [such] his salary, each member [shall be] is entitled to reimbursement for necessary travel and per diem expenses in the manner provided by law.

SUMMARY--Extends admissibility of intercepted communications into evidence. (BDR 4-481)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to evidence; enlarging the admissibility of communications lawfully intercepted; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 48 of NRS is hereby amended by adding thereto a new section which shall read as follows:

Except as limited by this section, in addition to the matters made admissible by NRS 179.465, the contents of any communication lawfully intercepted under the laws of the United States or of another jurisdiction, if the interception took place within that jurisdiction, and any evidence derived from such a communication, is admissible in any action or proceeding in a court or before an administrative body of this state, including without limitation the Nevada gaming commission and the state gaming control board. Matter otherwise privileged under this Title does not lose its privileged character by reason of any interception.

SUMMARY--Extends power of state gaming control board to examine enterprises related to gaming. (BDR 41-428)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to gaming; extending the power of the state gaming control board to require audits to include purveyors of services and equipment; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 463.140 is hereby amended to read as follows:

463.140 1. The Nevada gaming commission and the state gaming control board shall administer the provisions of this chapter with respect to state gaming licenses and manufacturer's, seller's and distributor's licenses [shall be administered by the state gaming control board and the Nevada gaming commission, which shall administer them] for the protection of the public and in the public interest in accordance with the policy of this state.

2. The board shall investigate the qualifications of each applicant under this chapter before any license is issued or any registration, finding of suitability or approval of acts or transactions for which commission approval is required or permission is granted, and shall continue to observe the conduct of all licensees and other persons having a material involvement directly or indirectly

with a licensed gaming operation or registered holding company to the end that licenses [shall not be] are not issued to nor held by [nor shall there be any] and there is no material involvement directly or indirectly with a licensed gaming operation or registered holding company by unqualified or disqualified persons, unsuitable persons or persons whose operations are conducted in an unsuitable manner or in unsuitable or prohibited places or locations. The board has full and absolute power and authority to recommend the denial of any application, the limitation, conditioning or restriction of any license, registration, finding of suitability or approval, the suspension or revocation of any license, registration, finding of suitability or approval or the imposition of a fine upon any person licensed, registered, found suitable or approved for any cause deemed reasonable by the board. The commission has full and absolute power and authority to deny any application or limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered, found suitable or approved, for any cause deemed reasonable by the commission.

3. The board and the commission and their agents may:

(a) Inspect and examine all premises wherein gaming is conducted or gambling devices or equipment are manufactured, sold or distributed.

(b) Inspect all equipment and supplies in, upon or about such premises.

(c) Summarily seize and remove from such premises and impound any equipment or supplies for the purpose of examination and inspection.

(d) Demand access to and inspect, examine, photocopy and audit all papers, books and records of applicants and licensees, on their premises and in the presence of the licensee or his agent, respecting the gross income produced by any gaming business, and require verification of income, and all other matters affecting the enforcement of the policy or any of the provisions of this chapter.

(e) If the board or commission has reason to believe that a person who furnishes services or property to a nonrestricted licensee is receiving a compensation grossly disproportionate to the value of the property or services furnished, demand access to and inspect, examine, photocopy and audit all papers, books and records of the person so furnishing them, on his premises and in his presence or the presence of his agent, respecting the gross income produced by his business, and require verification of income, and all other matters affecting the enforcement of the policy or any of the provisions of this chapter.

4. For the purpose of the administration and enforcement of chapters 463, 464 and 465 of NRS, and of chapter 205 of NRS so far as it involves crimes against the property of gaming licensees, the

board, the commission and the executive, supervisory and investigativ personnel of both the board and the commission have the powers of a peace officer of the State of Nevada.

5. The board and the commission or any member thereof [shall] each have full power and authority to issue subpenas and compel the attendance of witnesses at any place within this state, to administer oaths and to require testimony under oath. Any process or notice may be served in the manner provided for service of process and notices in civil actions. The board or the commission may pay such transportation and other expenses of witnesses as it may deem reasonable and proper. Any person making false oath in any matter before either the board or commission is guilty of perjury. The board and commission or any member thereof may appoint hearing examiners who may administer oaths and receive evidence and testimony under oath.

Sec. 2. NRS 463.160 is hereby amended to read as follows:

463.160 1. It is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others:

(a) To deal, operate, carry on, conduct, maintain or expose for play in the State of Nevada any game or slot machine as defined in this chapter, or to operate, carry on, conduct or maintain any horserace book or sports pool;

(b) To provide or maintain any information service the primary purpose of which is to aid the placing or making of wagers on events of any kind; or

(c) To receive, directly or indirectly, any compensation or reward or any percentage or share of the money or property played, for keeping, running or carrying on any game, slot machine, horse-race book or sports pool,

without having first procured, and thereafter maintaining in effect, all federal, state, county and municipal gaming licenses as required by statute or ordinance or by the governing board of any unincorporated city or town.

2. It is unlawful for any person to lend, let, lease or otherwise deliver or furnish any equipment of any gambling game, including any slot machine, for any interest or any percentage or share of the money or property played, under guise of any agreement whatever, without having first procured a state gaming license for it.

3. It is unlawful for any person to lend, let, lease or otherwise deliver or furnish, except by a bona fide sale or capital lease, any slot machine under guise of any agreement whatever whereby any consideration whatever is paid or is payable for the right to possess or use that slot machine, whether the consideration is measured by a percentage of the revenue derived from the machine or by a fixed fee or otherwise, without having first procured a state gaming license for the slot machine.

4. It is unlawful for any person to furnish services or property, real or personal, on a contract, lease or license basis, pursuant to which that person receives payments based on earnings or profits or otherwise from any gambling game, including any slot machine, without having first procured a state gaming license.

5. It is unlawful for any person knowingly to permit any gambling game, slot machine or device to be conducted, operated, dealt or carried on in any house or building or other premises owned by him, in whole or in part, except by a person who is licensed hereunder, or his employee.

6. The provisions of subsections 2, 3 and 4 do not apply to any person:

(a) Whose payments are a fixed sum determined in advance on a bona fide basis for the furnishing of services or property other than a slot machine.

(b) Who furnishes services or property under a bona fide rental agreement or security agreement for gaming equipment.

(c) Which is a wholly owned subsidiary of:

(1) A corporation or limited partnership holding a state gaming license; or

(2) A holding company or intermediary company, or publicly traded corporation, which has registered pursuant to NRS 463.585 or 463.635 and which has fully complied with the laws applicable to it as such.

(d) Who is licensed as a distributor and who rents or leases any equipment of any gambling game including any slot machine, under a bona fide agreement where the payments are a fixed sum determined in advance and not determined as a percentage of the revenue derived from the equipment or slot machine.

Receipts or rentals or charges for real property, personal property or services do not lose their character as payments of a fixed sum or as bona fide because of contract, lease or license provisions for adjustments in charges, rentals or fees on account of changes in taxes or assessments, cost-of-living index escalations, expansions or improvement of facilities, or changes in services supplied; and receipts of percentage rentals or percentage charges between a corporate or limited partnership licensee and the entities enumerated in paragraph (c) are permitted under this subsection.

7. The commission may determine the suitability, or may require the licensing, of any person who furnishes services or property to a state gaming licensee under any arrangement pursuant to which the person receives payments based on earnings, profits or receipts from gaming. The commission may require any such person to comply with the requirements of this chapter and with the regulations of the commission. If the commission determines that any such person is unsuitable, it may require the arrangement to be terminated.

8. If the premises of a licensed gaming establishment are directly or indirectly owned or under the control of the licensee therein,

or of any person controlling, controlled by, or under common control with the licensee, the commission may, upon recommendation of the board, require the application of any business or person for a determination of suitability to be associated with a gaming enterprise if the person or business:

(a) Does business on the premises of the licensed gaming establishment;

(b) Does business with the licensed gaming establishment as a junket representative or ticket purveyor; or

(c) Provides any goods or services to the licensed gaming establishment for a compensation which the board [finds to be] has reason to believe is grossly disproportionate to the value of the goods or services.

If the commission determines that the business or person is unsuitable to be associated with a gaming enterprise, the association must be terminated. Any agreement which entitles a business other than gaming to be conducted on the premises, or entitles a person or business other than gaming to conduct business with the licensed gaming establishment as set forth in paragraph (b) or (c) of this subsection, is subject to termination upon a finding of unsuitability of the business or of any person associated therewith. Every such agreement [must] shall be deemed to include a provision for its termination without liability on the part of the licensee upon a finding by the commission that the business or any person associated

therewith is unsuitable to be associated with a gaming enterprise. Failure expressly to include that condition in the agreement is not a defense in any action brought pursuant to this section to terminate the agreement. If the application is not presented to the board within 30 days following demand or the unsuitable association is not terminated, the commission may pursue any remedy or combination of remedies provided in this chapter.

SUMMARY--Redefines "cheating" and increases penalties for gaming offenses. (BDR 41-206)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to gaming; revising the definition of offenses; increasing certain penalties; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. 463.011 is hereby amended to read as follows:

463.011 "Game" or "gambling game" means any banking or percentage game played with cards, dice or any mechanical <u>or electronic</u> device or machine for money, property, checks, credit or any representative of value, including, without limitating the generality of the foregoing, faro, monte, roulette, keno, bingo, fan-tan, twenty-one, blackjack, seven-and-a-half, big injun, klondike, craps, poker, chuck-a-luck, Chinese chuck-a-luck (dai shu), wheel of fortune, chemin de fer, baccarat, pai gow, beat the banker, pan-guingui, slot machine, or any other game or device approved by the commission, but does not include social games played solely for drinks, or cigars or cigarettes served individually, games played in private homes or residences for prizes or games operated by charitable or educational organizations which are approved by the board pursuant to the provisions of NRS 463.409.

Sec. 2. Chapter 465 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this act.

Sec. 3. As used in this chapter:

1. "Cheat" means to alter the random selection of criteria which determine:

(a) The result of a game; or

(b) The amount or frequency of payment in a game.

2. The words and terms defined in chapter 463 of NRS have the meanings ascribed to them in that chapter.

Sec. 4. 1. Any person who violates any provision of NRS 465.070 to 465.085, inclusive, shall be punished:

(a) For the first offense, by imprisonment in the state prison for not less than 1 year nor more than 10 years, or by a fine of not more than $10,000, or by both fine and imprisonment.

(b) For a second or subsequent violation of any of these provisions, by imprisonment in the state prison for not less than 1 year nor more than 10 years, and may be further punished by a fine of not more than $10,000. The court shall not suspend a sentence of imprisonment imposed pursuant to this paragraph, or grant probation to the person convicted.

2. If a person attempts, or two or more persons conspire to violate any provision of NRS 465.070 to 465.085, inclusive, each shall be punished for the violation whether or not he personally played any game, slot machine or other device.

Sec. 5. NRS 465.070 is hereby amended to read as follows:

465.070 [1. Every person in a licensed gaming establishment who, by color, or aid of any trick or sleight-of-hand performance, or by any fraud or fraudulent scheme, cards, dice or device, wins or attempts to win for himself or for another, or unlawfully delivers or attempts to deliver to another any money or property, or representative of either, shall be punished by imprisonment in the state prison for not less than 1 year nor more than 10 years, or by a fine of not more than $10,000, or by both fine and imprisonment.

2. Every person who entices or induces another, upon any pretense, to go to any place where any gambling game, scheme or device, or any trick, sleight-of-hand performance, fraud or fraudulent scheme, cards, dice or device is being conducted or operated; or while in such place entices or induces another to bet, wager or hazard any money or property, or representative of either, upon any such game, scheme, device, trick, sleight-of-hand performance, fraud or fraudulent scheme, cards, dice or device, or to execute any obligation for the payment of money, or delivery of property, or to lose, advance, or loan any money or property, or representative of either, shall be punished by imprisonment in the state prison for not less than 1 year nor more than 10 years, or by a fine of not more than $10,000, or by both fine and imprisonment.]

<u>It is unlawful for any person:</u>

1. To alter or misrepresent the outcome of a game or other event on which wagers have been made after the outcome is made sure but before it is revealed to the players.

2. To place a bet after acquiring knowledge, not available to all players, of the outcome of the game or other event which is the subject of the bet or to aid anyone in acquiring such knowledge for the purpose of placing a bet contingent upon that outcome.

3. To claim or to collect money or any other thing of value, with intent to defraud, based upon the outcome of a game or other event without having made a wager contingent thereon, or to claim or collect an amount greater than the amount won.

Sec. 6. NRS 465.080 is hereby amended to read as follows:

465.080 1. It is unlawful for any licensee, employee or other person : [playing any licensed gambling game:]

(a) To use [bogus or] counterfeit chips [, or to substitute and use in any such game cards or dice that have been marked, loaded or tampered with;] ; or

(b) To employ or have on his person any [cheating] device to facilitate cheating [in such games; or

(c) To use any fraudulent scheme or technique, including but not limited to purposefully breaking or damaging any part of any slot

machine or otherwise causing the machine to malfunction, to facilitate the alignment of any winning combination or the removal of money from the machine.] at a gambling game.

2. It is unlawful for any person, in playing or using any slot machine designed to receive or be operated by lawful coin of the United States of America:

(a) Knowingly to use other than lawful coin, legal tender of the United States of America, or coin not of the same denomination as the coin intended to be used in such slot machine, except that in the playing of any slot machine, it is lawful for any such person to use tokens or similar objects therein which are approved by the state gaming control board; or

(b) To use any [cheating or thieving] device [, including but not limited to tools, drills, wires, coins attached to strings or wires or electronic or magnetic devices, to unlawfully facilitate aligning any winning combination or removing from any slot machine any money or other contents thereof.] or means to cheat or facilitate cheating.

3. It is unlawful for any person, not a duly authorized employee of a [licensed gaming establishment] licensee acting in furtherance of his employment within such establishment, to have on his person or in his possession while on the premises of such establishment any [cheating or thieving] device [, including, but not limited to, tools, wires, drills, coins attached to strings or wires, electronic or magnetic devices to facilitate removing from any slot

machine any money or other contents thereof.] which may be used to cheat or facilitate cheating at a gambling game.

4. It is unlawful for any person, not a duly authorized employee of a [licensed gaming establishment] licensee acting in furtherance of his employment within such establishment, to have on his person or in his possession while on the premises of any licensed gaming establishment any key or device known to have been designed for the purpose of and suitable for opening or entering any slot machine , [or] drop box [.

5. Any violator of the provisions of this section shall be punished by imprisonment in the state prison for not less than 1 year nor more than 10 years or by a fine of not more than $10,000, or by both fine and imprisonment.

6. As used in this section, the term "slot machine" has the meaning ascribed to it in NRS 463.0127.] or any electronic or mechanical device connected thereto, or for removing money or other contents therefrom.

5. Possession of more than one of the devices described in this section permits a rebuttable inference that the possessor intended to use them for cheating.

Sec. 7. NRS 465.083 is hereby amended to read as follows:

465.083 [1. It is unlawful:

(a) To conduct, carry on, operate, deal or allow to be conducted, carried on, operated or dealt any cheating or thieving game or device; or

(b) To deal, conduct, carry on, operate or expose for play any game or games played with cards, dice or any mechanical device, or any combination of games or devices, which have in any manner been marked or tampered with, or placed in a condition, or operated in a manner, the result of which:

(1) Tends to deceive the public; or

(2) Tends to alter the normal random selection of criteria which determine the result of the game.

2. The use of marked cards, loaded dice, plugged or tampered-with machines or devices to deceive the public is expressly made unlawful.

3. Any person who violates the provisions of this section shall be punished by imprisonment in the state prison for not less than 1 year nor more than 10 years, or by a fine of not more than $10,000, or by both fine and imprisonment.] It is unlawful for any person, whether he is an owner or employee of or a player in an establishment, to cheat at any gambling game.

Sec. 8. NRS 465.085 is hereby amended to read as follows:

465.085 1. It is unlawful to manufacture or sell [or to possess with intent to defraud:

(a) Any cheating or thieving game or device;

(b) Any game or games played with cards, dice or any mechanical device;

(c) Any combination of such games or devices; or

(d) Any bogus or counterfeit chip, which may have in any manner been marked or tampered with to deceive the public.

2. Any person who violates the provisions of this section shall be punished by imprisonment in the state prison for not less than 1 year nor more than 10 years, or by a fine of not more than $10,000, or by both fine and imprisonment.] any cards, chips, dice, game or device which may be used to violate any provision of this chapter.

2. It is unlawful for any person to instruct another in cheating or in the use of any device for that purpose.

Sec. 9. NRS 465.101 is hereby amended to read as follows:

465.101 1. [As used in this section:

(a) "Establishment" has the meaning ascribed to it in NRS 463.0109.

(b) "Licensee" has the meaning ascribed to it in NRS 463.0119.

2.] Any licensee, or his officers, employees or agents may question any [individual] person in his establishment suspected of violating any of the provisions of NRS 465.070 , [or] 465.080 [.] or 465.083. No licensee or his officers, employees or agents is criminally or civilly liable on account of any such questioning.

[3.] 2. Any licensee or his officers, employees or agents who have probable cause for believing that there has been a violation of NRS 465.070 , [or] 465.080 or 465.083 in his establishment by any person may take such person into custody and detain him in the establishment in a reasonable manner and for a reasonable length of

time. Such a taking into custody and detention does not render [such] the licensee or his officers, employees or agents criminally or civilly liable for false arrest, false imprisonment, slander or unlawful detention unless [such] the taking into custody and detention are unreasonable under all the circumstances.

[4.] 3. No licensee or his officers, employees or agents are entitled to the immunity from liability provided for in this section unless there is displayed in a conspicuous place in his establishment a notice in boldface type clearly legible and in substantially this form:

> Any gaming licensee, or his officers, employees or agents who have probable cause for believing that any person has violated any provision of NRS 465.070 , [or] 465.080 or 465.083 prohibiting cheating in gaming may detain such person in the establishment for the purpose of notifying a peace officer.

Sec. 10. NRS 207.080 is hereby amended to read as follows:

207.080 1. For the purpose of NRS 207.080 to 207.150, inclusive, a "convicted person" is defined as:

(a) Any person who, before or after March 15, 1955, was or is convicted of an offense punishable as a felony in the State of Nevada, or who has been or who is hereafter convicted of any offense in any place other than the State or Nevada, which offense, if committed in the State of Nevada, would be punishable as a felony.

(b) Any person who, before or after March 15, 1955, was or is convicted in the State of Nevada, or elsewhere, of the violation of any law, whether the violation is or is not punishable as a felony:

(1) Relating to or regulating the possession, distribution, furnishing or use of any habit-forming drug of the kind or character described and referred to in the Uniform Narcotic Drug Act.

(2) Regulating or prohibiting the carrying, possession or ownership of any concealed weapon, or deadly weapon, or any weapon capable of being concealed, or regulating or prohibiting the possession, sale or use of any device, instrument or attachment designed or intended to be used for the purpose of silencing the report or concealing the discharge or flash of any firearm.

(3) Regulating or prohibiting the use, possession, manufacture or compounding of tear gas, or any other gas, which may be used for the purpose of temporarily or permanently disabling any human being.

(c) Any person who, before or after March 15, 1955, was or is convicted of a crime in the State of Nevada, under the provisions of one or more of NRS 122.220, 201.120 to 201.170, inclusive, 201.-249, 201.251, 201.270, 201.360 to 201.400, inclusive, 201.420, 202.010, 202.040, 202.055, 202.200 to 202.230, inclusive, 212.170, 212.180, 433.564, 451.010 to 451.040, inclusive, 452.300, 462.010 to 462.080, inclusive, [465.030 to] 465.070 [,] <u>to 465.085,</u> inclusive, 646.010 to 646.060, inclusive, 647.095, 647.100, 647.110,

647.120, 647.130, 647.140 and 647.145, or who, before or after March 15, 1955, was or is convicted, in any place other than the State of Nevada, of an offense which, if committed in this state, would have been punishable under one or more of such sections.

(d) Any person who, before or after March 15, 1955, was or is convicted in the State of Nevada or elsewhere of any attempt or conspiracy to commit any offense described or referred to in NRS 207.080 to 207.150, inclusive.

2. Any person, except as set forth in NRS 207.090 to 207.150, inclusive, whose conviction is or has been set aside in the manner provided by law shall not be deemed a convicted person.

Sec. 11. NRS 463.030, 463.040, 465.050 and 465.060 are hereby repealed.

SUMMARY--Empowers attorney general to prosecute gaming offenses under certain conditions. (BDR 41-207)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to gaming; empowering the attorney general to prosecute violations of the gaming statutes if the appropriate district attorney fails to do so; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 463 of NRS is hereby amended by adding thereto a new section which shall read as follows:

If a district attorney in whose county a violation of this chapter or of chapter 463B, 464 or 465 of NRS occurs fails to file a complaint or information for that offense or present it to a grand jury, within 15 days after the attorney general so requests in writing, the attorney general may file a complaint or information or present the matter to a grand jury, as the facts may warrant, and thereafter proceed as appropriate to complete the prosecution. The attorney general has exclusive charge of any such prosecution.

Sec. 2. NRS 463.141 is hereby amended to read as follows:

463.141 [1.] The commission or board shall initiate [and direct the] proceedings [,] or actions [or prosecutions instituted] appropriate to enforce the provisions of this chapter [.

2. The commission may call upon the district attorney of any county, or, if a district attorney refuses to take appropriate action, upon the attorney general, to institute and conduct such criminal proceedings as are requested by the commission.] , and may recommend the prosecution of any public offense committed in violation of any provision of this chapter or of chapter 463B or 464 of NRS.

SUMMARY--Transfers control of pari-mutuel wagering at racetracks to gaming authorities. (BDR 41-430)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to racing; vesting the entire control of pari-mutuel wagering at racetracks in the Nevada gaming commission and state gaming control board; providing for investigation by the board of applications to conduct racing; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 466.020 is hereby amended to read as follows:

466.020 As used in this chapter, unless the context otherwise requires, "commission" means the Nevada racing commission.

Sec. 2. NRS 466.095 is hereby amended to read as follows:

466.095 The Nevada gaming commission shall not issue any license to conduct pari-mutuel wagering in connection with any greyhound race unless:

1. Greyhound racing is permitted by a special charter of a city to be conducted in that city and a license to conduct the race has been issued by the city council or other governing body of such city; or

2. The county license board of a county having a population of less than 100,000 has issued a license to conduct the race in the county outside of an incorporated city or incorporated town.

Sec. 3. NRS 466.100 is hereby amended to read as follows:

466.100 1. Any person or persons, association or corporation desiring to conduct racing within the State of Nevada during any calendar year shall apply to the [commission] state gaming control board for a license so to do.

[2. An application shall be filed with the secretary of the commission on or before a date to be fixed by the commission.] The application [shall:] must:

(a) Specify the days on which such race meeting is desired to be conducted or held.

(b) Be in such form and supply such data and information as the [commission shall prescribe.] board prescribes.

2. The board shall investigate the applicant, and any other person whom it believes necessary to determine the applicant's suitability to receive a license to conduct racing, and shall recommend in writing to the commission, with its reasons, whether to approve or deny the license. If the board recommmends denial, the commission may grant the license only by unanimous vote of the members present.

3. The decision of the commission on the award of all dates [shall be] is final, but the commission shall, in awarding dates, give preference to agricultural associations for the dates on which each has conducted racing in previous years.

4. The commission [shall have the power to] may revoke, modify or suspend a license or [to] refuse to issue [the same] it if it

has reasonable cause to believe that the public interest can best be served [.] by its action. No license may be revoked or suspended until after a hearing held by the commission after notice in writing to the licensee or his agent or employee in charge of the licensed premises. The reasons for such action [shall] must be written in full in the records of the commission. The action of the commission in revoking, modifying, suspending or refusing to issue a license as requested by an applicant is subject to review by the courts of this state.

5. [The commission shall not grant a license to conduct pari-mutuel wagering in connection with any racing event unless and until the applicant has been investigated as provided in NRS 466.105.

6.] A license to conduct greyhound racing:

(a) May be issued only in conjunction with a license to conduct horse racing and for a track on which horse racing is actually conducted, unless the commission, for good cause, modifies or waives such requirements for a period not exceeding 1 year from the date of opening; and

(b) Shall provide that the days of greyhound racing shall not exceed 3 days to 1 day of horse racing in any 1 year.

[7. Prior to] 6. Before the running of any race meet licensed by the commission, the licensee shall post with the commission cash not to exceed $50,000 or a bond payable to the State of

Nevada in such amount, not to exceed $50,000, as the commission deems necessary, issued by a corporate surety authorized to do business in this state, conditioned for the payment of all moneys due to the state, the payment of purses to the participants, and the employees of the licensee. After the race meet the [same shall] cash or bond must be returned or exonerated as the case may be, upon full performance by the licensee. Agricultural associations conducting race meets are exempt from this subsection.

[8.] 7. A licensee holding a license to conduct greyhound racing shall not sell any stock in such enterprise to the public.

Sec. 4. NRS 466.105 is hereby amended to read as follows:

466.105 1. Every application for a license to conduct pari-mutuel wagering under this chapter [shall] must be made upon forms prescribed and furnished by the [racing commission.

2. The Nevada racing commission shall refer such applications to the Nevada gaming commission for investigation, by the] state gaming control board . [, of] The board shall investigate the applicant, including its officers and directors , if any, [thereof. Such investigations shall be conducted] in the same manner as [those for gaming license] applicants [but subject to the rules and regulations of the racing commission.

3.] for gaming licenses.

2. The cost of each investigation made pursuant to this section [shall] must be paid by the applicant. Investigation costs [shall]

must be charged on the same basis as those for gaming license investigations.

[4. The Nevada gaming commission, through the] 3. The state gaming control board [, shall investigate such persons and applicants as are referred by the racing commission and shall make a full and complete report thereof to the racing commission.] shall make its recommendations to the Nevada gaming commission, and that commission shall grant or deny licenses, in the same manner as prescribed in chapter 463 of NRS for a state gaming license.

Sec. 5. NRS 466.170 is hereby amended to read as follows:

466.170 1. The commission may [make and adopt rules and regulations, and thereafter modify the same, providing for the pari-mutuel method of wagering on races and] adopt regulations for the licensing, supervising, disciplining, suspending, fining and barring from racing, on any track under the jurisdiction of the commission, of horses, greyhounds, owners, breeders, authorized agents, subagents, nominators, trainers, jockeys, jockey apprentices, jockey agents and any other person, persons, organizations, associations or corporations [, the] whose activities [of whom] affect the conduct or operation of licensed race meetings.

2. At a licensed race meeting or race, a person shall not enter a horse or greyhound or participate as an owner, agent, nominator, trainer, jockey, jockey apprentice, or jockey agent, without first procuring from the commission a license so to do, and paying such

fees as the commission [shall determine] determines to be reasonable therefor. The commission [is authorized to] may issue such licenses, and may revoke [the same] them at any time for cause.

3. The [rules and] regulations of the commission may include, but are not limited to, the following:

(a) A requirement for fingerprinting, or other method of identification, of applicants and licensees;

(b) A requirement for information concerning applicants' antecedents, habits and character; and

(c) The procedure and form of application which applicants shall follow and complete prior to consideration of their applications by the commission.

4. If any member of the commission is a resident within an agricultural district which is conducting racing, [such member shall be] that member is the representative of the commission at such race meeting.

5. The Nevada gaming commission may adopt regulations for the conducting of pari-mutuel wagering under this chapter.

Sec. 6. 1. Section 9 of chapter 688, Statutes of Nevada 1979, is hereby amended to read as follows:

Sec. 9. Unless continued or reestablished by express act of the legislature, the following agencies terminate on July 1, 1981:

1. [The Nevada racing commission.

2.] The bureau of community health services established by the state board of health.

[3.] 2. The real estate division of the department of commerce.

2. Sections 10 and 11 of that chapter are hereby repealed.

Sec. 7. This section and section 6 of this act shall become effective upon passage and approval.

SUMMARY--Aggregates slot machines in separate locations for determination of license fees. (BDR 41-195)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to gaming; requiring the aggregation of slot machines operated by one licensee at several locations to determine license fees; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 463 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. "Slot machine operator" means a person who places slot machines in more than one location and shares in the profits from them.

Sec. 3. 1. A person who desires to become a slot machine operator, whether or not he holds any other form of gaming license, must apply to the board for a slot machine operator's license. In addition to any other state gaming license fees provided for in this chapter, the commission shall charge and collect a fee of $250 for the issuance or renewal of a license to operate 16 or more machines for each quarter year, on or before the last day of the last month in a calendar quarter for the ensuing calendar quarter, and a fee of $50 for a license to operate 15 or fewer for each quarter year, payable at the same times.

2. This license authorizes the placement of slot machines only in a location for which the slot machine operator or another holds a state gaming license. If the slot machine operator is also the licensee at a location, he shall notify the board whenever the lessor from whom the location is leased changes, and provide any further information with regard to the lessor which the board may from time to time require.

3. The slot machine operator shall pay the fee imposed by NRS 463.373 or 463.375 upon each machine that he operates.

Sec. 4. NRS 463.370 is hereby amended to read as follows:

463.370 1. Except as provided in NRS 463.373, before issuing a state gaming license, the commission shall charge and collect from each applicant a license fee based upon all the gross revenue of such applicant as follows:

Three percent of all the gross revenue of such applicant which does not exceed $150,000 per quarter year; and also

Four percent of all the gross revenue of each applicant which exceeds $150,000 per quarter year and does not exceed $400,000 per quarter year; and also

Five and one-half percent of all the gross revenue of such applicant which exceeds $400,000 per quarter year.

2. Unless the licensee is operating under a license issued for less than a full calendar quarter, the commission shall charge and collect the fee prescribed in subsection 1, based upon the gross

revenue for the preceding calendar quarter, on or before the last day of the first month of the calendar quarter for which the license is issued.

3. When a licensee is operating under a license issued for less than a full calendar quarter, the commission shall charge and collect the fee prescribed in subsection 1, based on the gross revenue received during that quarter, on or before the last day of the first month of the following calendar quarter of operation. The payment of the fee due for the first full calendar quarter of operation based on the gross revenue derived from gambling pursuant to this section [shall] must be accompanied by the payment of a fee in like amount for the next full calendar quarter. Thereafter, each quarterly license fee [shall] must be paid in advance based on the gross revenue of the preceding quarter. Any deposit held by the commission on July 1, 1969, [shall] must be treated as such an advance payment.

4. All revenue received from any game or gaming device which is leased for operation on the premises of the licensee-owner to a person other than the owner thereof, or located in an area or space on [such] those premises which is leased by the licensee-owner to any such person, [shall] must be attributed to [such] the owner of the premises for the purposes of this section and [shall be] counted as part of the gross revenue of the owner. The lessee [shall be] is liable to the owner for his proportionate share of such license fees.

5. The revenue of a slot machine operator from all the slot machines that he operates, regardless of the ownership of the slot machines, must be aggregated to determine his gross revenue for the purposes of this section.

6. If the amount of license fees required to be reported and paid pursuant to this section is later determined to be greater or less than the amount actually reported and paid by the licensee, the commission shall:

(a) Charge and collect the additional license fees determined to be due, with interest thereon until paid; or

(b) Refund any overpayment, with interest thereon, to the licensee.

flush Interest [shall] must be computed at the rate of 7 percent per annum from the first day of the first month following either the due date of the additional license fees or the date of overpayment until paid.

Sec. 5. NRS 463.372 is hereby amended to read as follows:

463.372 For purposes of administering the quarterly state license fee imposed by NRS 463.373, the annual state license fee imposed by NRS 463.375, and the annual tax imposed by NRS 463.385 [, the] :

1. The commission shall prescribe by regulation the manner of counting slot machines whose operations are related to one another.

2. All the slot machines operated by one slot machine operator,

regardless of location or ownership, must be aggregated in determining whether NRS 463.373 or NRS 463.375 applies.

Sec. 6. NRS 463.373 is hereby amended to read as follows:

463.373 1. Before issuing a state gaming license to an applicant for the operation of not more than 15 slot machines and no other game or gaming device, the commission shall charge and collect from such applicant a license fee of $25 for each slot machine for each quarter year.

2. The commission shall charge and collect the fee prescribed in subsection 1:

(a) On or before the last day of the last month in a calendar quarter, for the ensuing calendar quarter, from a licensee whose operation is continuing.

(b) In advance from a licensee who begins operation or puts additional slot machines into play during a calendar quarter.

3. Except as provided in NRS 463.386, no proration of the fee prescribed in subsection 1 may be allowed for any reason.

[4. The operator of the location where slot machines are situated shall pay the fee prescribed in subsection 1 upon the total number of slot machines situated in such location, whether such machines are owned by one or more licensee-owners.]

Sec. 7. NRS 463.375 is hereby amended to read as follows:

463.375 1. In addition to any other state gaming license fees provided for in this chapter, before issuing a state gaming license

to an applicant for the operation of 16 or more slot machines or for the operation of any number of slot machines together with any other game or gaming device, the commission shall charge and collect from such applicant a license fee of $40 for each slot machine for each calendar year.

2. The commission shall charge and collect the fee prescribed in subsection 1, at the rate of $10 for each slot machine for each calendar quarter:

(a) On or before the last day of the last month in a calendar quarter, for the ensuing calendar quarter, from a licensee whose operation is continuing.

(b) In advance from a licensee who begins operation or puts additional slot machines into play during a calendar quarter.

3. Except as provided in NRS 463.386, no proration of the quarterly amount prescribed in subsection 2 may be allowed for any reason.

[4. The operator of the location where slot machines are situated shall pay the fee prescribed in subsection 1 upon the total number of slot machines situated in such location, whether such machines are owned by one or more licensee-owners.]

SUMMARY--Reduces duplication of state and local investigation for gaming licenses. (BDR 41-452)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to gaming; providing for the better coordination of state and local investigation of applicants for gaming licenses; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 463 of NRS is hereby amended by adding thereto a new section which shall read as follows:

1. The board shall investigate the information required by each county and city which licenses gaming, and shall prepare:

(a) A basic form of application designed to contain the information required by all or a majority of them.

(b) A supplemental form of application for each county or city which requires information not contained in the basic form, designed to contain only that additional information.

In preparing each form, the board shall consider the form which it requires of applicants for a state gaming license, and to the greatest extent possible shall so design the forms for local use that a copy or partial copy of the state's form supplies the information required.

2. Each county and city which licenses gaming shall use the

appropriate form or forms prepared by the board, and no other form or document for application. Each county and city is responsible for reproducing blank forms as required.

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.

SUMMARY--Authorizes disclosure of gross revenue of gaming establishments to certain local governments. (BDR 41-218)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to gaming; authorizing the disclosure of the gross revenue of a gaming licensee to a local government whose license fee is based upon that revenue; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 463 of NRS is hereby amended by adding thereto a new section which shall read as follows:

If a licensee operates an establishment within the territory of a local government which imposes upon that establishment a license fee based upon gross revenue, the board may disclose to that local government the gross revenue from that establishment for each period as reported to the board or otherwise ascertained by the board.

SUMMARY--Provides for continuation of interim study of gaming. (BDR 429)

CONCURRENT RESOLUTION--Directing the legislative commission to continue its interim study of gaming.

WHEREAS, The 60th session of the Nevada legislature by Senate Concurrent Resolution No. 49 directed the legislative commission to conduct an interim study of gaming; and

WHEREAS, The subcommittee appointed for that purpose recommended certain legislation for enactment and certain subjects for further consideration by this 61st session; and

WHEREAS, That subcommittee also recommended, as a means of keeping the legislature better informed, that the study be continued during the next interim; now, therefore, be it

RESOLVED BY THE OF THE STATE OF NEVADA, THE CONCURRING, That the legislative commission is hereby directed to continue the study of gaming conducted during the last interim, through the appointment of an appropriate subcommittee for this purpose; and be it further

RESOLVED, That the subcommittee so appointed consider further any matters recommended for consideration by the former study and not finally resolved by this session, and any other matters concerning the regulation of gaming which it may believe will require legislative action; and be it further

RESOLVED, That the legislative commission report the results of the study and any recommendations for legislation to the 62nd session of the legislature.

Appendix B

PRESENTATION FOR LEGISLATIVE STUDY COMMITTEE ON GAMING

AREAS OF CONCERN

1. Unclassified State Employees Pay Bill

Presently, the unclassified employees of the State Gaming Control Board are within NRS 284.182, the general unclassified State employees pay bill. With the exception of Gaming Control Board staff positions and the Public Service Commission auditors, these are politically appointed positions. It is our opinion that the salary structure for the staff positions of the Board have historically suffered because they are within the general unclassified pay bill, wherein our positions are compared to the politically appointed positions in State government and have the "image" of being politically appointed.

As in the classified Nevada State service, all staff positions of the Gaming Control Board are publicly recruited for and competitively screened, interviewed and selected. There are no unilateral, political appointments to staff positions in the Board.

Our recommendation, as we proposed in the last legislative session, is a separate and distinct pay bill for the unclassified positions of the Gaming Control Board. In this manner, we believe that our positions may be more objectively compared to similar career positions in the classified service of Nevada State government, in other public jurisdictions and in private industry.

2. Gaming Control Board Salary Compaction

Salary compaction between positions of the Gaming Control Board prevents us from offering a career oriented employee a reasonable career ladder. Presently the Gaming Control Board salary structure is as follows:

Present Gaming Control Board Structure

	% Difference
Agent I ($19,500) - Agent II ($21,000)	7.2
Agent II ($21,000) - Senior Agent ($22,750)	7.7
Senior Agent ($22,750) - Supervising Agent ($23,500)	3.2
Supervising Agent ($23,500) - Deputy Chief ($24,500)	4.1
Deputy Chief ($24,500) - Division Chief ($30,000)	18.4

Examples of Comparable Career Ladders

New Jersey Gaming Control Board	% Differen
Agent I ($20,563) - Agent II ($23,806)	13.3
Agent II (($23,806) - Senior Agent ($27,559)	13.7
Senior Agent ($27,559) - Deputy Chief ($36,926)	25.4
Nevada Auditor Series - State Classified Service	
Auditor Trainee ($16,500) - Auditor ($18,925)	12.8
Auditor ($18,925) - Senior Auditor ($21,754)	13.1
Senior Auditor ($21,754) - Supervising Auditor ($25,012)	13.1
Nevada Narcotics Agent Series - State Classified Service	
Narcotics Agent I ($16,500) - Narcotics Agent II ($18,076)	8.8
Narcotics Agent II ($18,076) - Narcotics Agent III ($21,754)	16.9
Narcotics Agent III ($21,754) - Supervising Narcotics Agent ($23,872)	9.0

To attract and retain high quality people, the Gaming Control Board must prov a salary structure that equitably compensates each position in relation to al other positions in the organizational structure. This is not the case today. For example, there is a great deal of difference between the overall responsibilities of a Supervising Agent and a Deputy Division Chief, yet the annual salary difference is only $1,000 per year, or 4.1%.

With such a small difference between positions, we cannot reasonably provide annual merit increases within a position's salary range, the only way an individual can obtain a salary increase is by promotion.

3. Cost of Living

Again, because of the location of Gaming Control Board staff positions within the State general unclassified pay bill, cost of living increases for Gaming Control Board employees have been historically less than the percentage increases for State classified employees as shown below:

Cost of Living Comparisons

	% Increase for Gaming Control Board Agent I	% Increase for State Classified Employees
1-76	4.0%	6.0%
1-77	5.5	5.5
1-78	4.5	5.5
1-79	5.5	8.0
1-80	5.5	6.5

Gaming Control Board positions need to be considered as career employees just as State classified employees are, not like politically appointed positions.

4. Merit Salary Increases

A classified State employee who is not at the top of his/her pay range (15 steps, 2 1/2% per step) is eligible for an annual merit salary increase of 5% in addition to the above cited cost of living increase.

The present pay structure of Gaming Control Board positions, because of the relatively small salary differences between our position classifications, does not reasonably provide room for annual increases within a specific salary range, as shown in section 2 above. Resolution to this problem would be a salary structure that provided sufficient differences between our various positions to provide a career ladder from entry level through promotional positions.

5. Salary Comparisons

Presently the salary structure of the Gaming Control Board staff is, in most instances, significantly depressed as compared to reasonably similar positions in the New Jersey gaming control organization and to unclassified and classified positions within Nevada State Government.

Title	New Jersey Gaming Control Board (1/79)	Nevada Gaming Control Board (7/79)
Chairman of Board	$60,000	$40,000
Division Chief	42,479	30,000
Division Deputy Chief	36,926	24,500
Senior Agent	27,559	22,750
Agent II	23,806	21,000
Agent I	20,563	19,500

	Nevada Public Service Commission Audit Staff (Unclassified)	Nevada Gaming Control Board Audit Staff
Chief Auditor	$33,200	$30,000
Senior Auditor	28,800	22,500
Auditor	26,200	20,800

Comparison of Staff Size

Public Service Commission Audit Staff - 15
Gaming Control Board Audit Staff - 73

Comparison of State Gaming Control Board Positions to Some Specific State Classified Service Positions

Chief Auditor, Dept. of Taxation, Staff - 31	$28,800
Chief of Audit Div., Gaming, Staff - 73	30,000
Assistant Chief Auditor, Dept. of Taxation	26,212
Deputy Chief of Audit Div., Gaming	24,500
Supervising Auditor, Dept. of Taxation	25,012
Senior Agent, Gaming	22,500
Supervising Narcotics Agent, State Narcotics	23,872
Senior Background Agent, Investigations, Gaming	22,750
Deputy Parole & Probation Officer, State Parole & Probation	26,212
Deputy Chief, Enforcement Division, Gaming	24,500

As you can see, State Gaming Control Board salaries have not kept pace with the salaries in other State agencies which have comparable positions.

6. Turnover of Employees

Employee turnover has been a continuous problem to the Gaming Control Board. A vast majority of our employees leave the Board for salary related reasons; present low salary, little salary improvement provided by promotions, or salary offers from the gaming industry which are 25% to 200% higher than their Gaming Control Board salaries.

An additional cause for turnover in the Investigations Division is the constant travel requirements of Financial and Background Investigators. These investigators travel 50% to 75% of the time, encompassing the United States and occasionally Europe, South America and the Far East, with the trips ranging from 3 to 4 days up to 6 weeks in duration.

The most serious turnover problem we have is the loss of experienced supervisory personnel. The loss of these individuals creates a continuous training problem to our organization. Some resolution to our present turnover problem would be improvement to the overall salary structure of the Board.

7. Recruitment

In recent months, the Gaming Control Board has experienced significant problems in recruiting investigators and technical staff people. In order to be competitive and attract people to our positions, we must offer them near top or top salary for that position. Due to the lack of a good

promotional salary structure the highly motivated professional is reluctant to accept a position with the Gaming Control Board. If we are successful in hiring them we usually serve as a training ground for the individual to go into the industry in two or three years.

8. Shortage of Staff

We feel we are still not properly staffed with field investigators in our Investigations and Enforcement Divisions. With the growth and activity of the gaming industry, we find ourselves with a tremendous backlog of prelicensing investigations and the inability to provide adequate cover to the three shifts our Enforcement Division works.

However, without an upward adjustment to our salary structure, the allocation of additional staff would not be that beneficial as we have had continual problems recruiting and retaining high quality people with our salary scales.

Our conclusion is that if we had a choice between additional staffing or a significant readjustment to our salary structure, we would certainly opt for the latter.

PRESENTATION FOR LEGISLATIVE STUDY COMMITTEE

ON GAMING

PERSONNEL NEEDS

Gaming in Nevada continues to grow at a rapid pace. As a result, our business of pre-licensing investigations and our day-to-day responsibilities of monitoring the gaming industry continue to increase at an alarming rate. During the last legislative session, we requested 110 new positions and were allocated 87 positions. This new staffing has proved a tremendous help to our agency. However, it is our opinion that in the next legislative session we again must seek and gain a significant increase in staff to continue to improve the efficiency and effectiveness of gaming control in the State of Nevada.

The following is an organizational breakdown, division by division, of our increased personnel needs for fiscal years 1981-82 and 1982-83 as we presently project our ever-increasing workload:

Division	Present Staff Includes FY 80-81 Positions	Additional Position Request
Investigations	Professional - 45 Clerical - 10	Professional - 30 to 35 Clerical - 4 to 6

The Investigation Division's primary responsibility is to conduct in-depth personal background and financial investigations of any entity which is applying for a gaming license in the State of Nevada. It is felt that the above staff increase is necessary

to be able to continue to handle the numerous and complex large equity applications and to start to make some headway into the increasing backlog of junket representative and key employee application investigations.

Division	Present Staff Includes FY 80-81 Positions	Additional Position Request
Enforcement	Professional - 55 Clerical - 11	Professional - 30 to 35 Clerical - 4 to 6

Our Enforcement Division's chief responsibility is the 24-hours per day, seven-day per week protection against cheating in our casinos. Enforcement agents routinely pick up cards and dice in play at casino tables and inspect them for possible irregularities and periodically examine slot machines to insure proper operation. All enforcement agents carry an investigative caseload, many of which end up in court. Additionally, some of our agents work in an undercover capacity as a dealer or as a slot machine or card/dice cheater. With 274 casinos statewide within which are located 76,018 slot machines and 4,270 games, it is our feeling that the above staff additions to the Enforcement Division are necessary to provide adequate service to the gaming industry and general public.

Division	Present Staff Includes FY 80-81 Positions	Additional Position Request
Audit	Professional - 83 Clerical _ 9	Professional - 20 to 25 Clerical _ 5 to 7

The Audit Division is the overseer of the voluminous accounting records and the complex systems of internal control which all licensees are required to maintain. This division is charged with

the audit of all casino operations and the enforcement of casino revenue controls. Anticipating the growth of the industry over the next three years and addressing the present backlog in audits and internal control reviews and also addressing our responsibility of evaluating new computerized accounting systems and computerized games and gaming devices, the Audit Division requires the additional staff cited above.

Division	Present Staff Includes FY 80-81 Positions	Additional Position Request
Tax & License	Professional - 8 Clerical - 5	Professional - 3 Clerical - 1

The Tax and License Division is charged with the collection, accounting, and control of all tax and license fees paid by gaming licensees in the State of Nevada. Presently this division is in formulative stages of developing revenue accounting procedures and regulation compliance review procedures for the past sorrowfully neglected smaller gaming establishments which have yearly gross revenues of under $1 million per year. The three additional agent positions are requested so we may further develop this program.

Division	Present Staff Includes FY 80-81 Positions	Additional Position Request
Corporate Securities	Professional - 2 Clerical - 1	Professional - 5 to 7 Clerical - 3 to 4

The Corporate Securities Division is charged with maintaining a constant review of all publicly traded corporations who are in any way involved in Nevada's gaming industry. This division's

staff has the responsibility of assuring that all of these publicly traded corporations are properly registered and that the officers and directors are suitable for licensing. Stockholder lists are periodically reviewed to watch for stockholders with large enough holdings to be considered a controlling interest. Presently the division does not have a Deputy Chief. To assist the Chief in the overall management of this function, we request such a position.

The present trend in Nevada gaming establishments is toward publicly traded corporations and away from individual proprietorships and partnerships. In the last year several large publicly traded corporations have become involved in Nevada gaming. In anticipation of a continuation of this trend, we request additional securities analysts and securities investigators to address our dealings with the Securities and Exchange Commission, New York Stock Exchange, American Stock Exchange, and other necessary parties.

Division	Present Staff Includes FY 80-81 Positions	Additional Position Request
Administration	Professional - 10 Clerical - 17	Professional - 0 Clerical - 5

The Administration Division is comprised of the three Board Members and the administrative staff of the business manager, personnel officer, training officer, management analyst, two financial analysts, and support technical and clerical staff.

An additional senior account clerk is requested to supplement the accounting section in its handling of an increasing workload caused by an approximate 40% increase in agency staff in the last

few months. Additionally, four clerical positions are requested for this division, two for general secretarial support and two for the files section.

Division	Present Staff Includes FY 80-81 Positions	Additional Position Request
Legal	Professional - 8.5 Clerical - 5	Professional - 1 to 3 Clerical - 4

The Legal Division provides legal advice to the Board and Commission and acts as its legal counsel in all litigation. Additionally, this staff is called upon to provide legal assistance in virtually every aspect of the investigatory and enforcement functions of the Board. The increase in staff is needed to keep pace with the increasing workload.

Presently, our staff is working on an overall employee compensation package which will include a reasonable salary range for each position classification. Our purpose in establishing a salary range for each position is to provide a career ladder for an employee by which he/she may be considered for salary increases based on performance evaluations. Presently, our salary structure is so severly compacted between positions that we cannot reasonably provide annual merit increases within a position's salary range. Basically, the only way an individual can obtain a salary increase is by being promoted to a higher level position.

We shall present to you at our next meeting, our proposed salary structure for each position classification within the Gaming Control Board.

ASSISTANT EXECUTIVE SECRETARY
(PROPOSED NEW UNCLASSIFIED POSITION)
NEVADA GAMING COMMISSION
STATE GAMING CONTROL BOARD
(CARSON CITY OFFICE)

DEFINITION OF THE CLASS AND EXAMPLES OF DUTIES:

The assistant executive secretary will be directly responsible to the executive secretary, shall generally assist the executive secretary in performing the duties of that office, and must be capable of assuming all the duties of that office in the executive secretary's absence. The executive secretary's duties are generally set forth in statute, NRS 463.085(2)(b): "[The executive secretary] [i]s responsible for the conduct of the commission's administrative matters and shall assist the board in administrative matters." These duties include but are not limited to the following:

a. Preparing for regular and special meetings of the State Gaming Control Board and Nevada Gaming Commission. The preparation for meetings includes being familiar with all agenda items and the technical aspects of each application. In addition to meetings of the Board and Commission, the executive secretary must be present at disciplinary hearings of the Nevada Gaming Commission and must be familiar with the aspects of the disciplinary complaint and the proper procedure to be followed for the hearing.

b. Authorized representative of the Commission for the issuance of state gaming licenses, subpoenas and other related matters.

c. Custodian of Commission records.

d. Responsible for Commission administrative affairs and requirements.

e. Coordinate Commission functional activities and formulate or insure formulation of its official action in writing.

f. Receive and process documents filed for action before the Commission on revocation complaints; work permit appeals, regulation amendments; list of excluded persons; wire service rate changes; audit assessment redeterminations; Board employee appeals; enrollment of attorneys and agents to practice before the Board and Commission.

g. Assist the Board in functional and administrative activities.

(1/14/80)

h. While not defined in statute, the executive secretary may also serve as secretary to the Gaming Policy Committee at times when the Governor, as Chairman, calls the Committee into session for policy considerations.

MINIMUM QUALIFICATIONS:

Education and Experience: Must have had at least three years of responsible administrative experience in public or business administration, or shall possess broad management skills.

Knowledge, Skills and Abilities: Thorough knowledge of all statutory, regulatory and policy considerations governing the control of gaming in the State of Nevada; thorough knowledge of the principles of management; ability to establish and maintain effective working relationships; ability to prepare and present oral and written reports.

POSITION CLASSIFICATION AND SALARY:

The position of assistant executive secretary will be in the unclassified service, with a proposed maximum salary of $23,500 annually.

JUSTIFICATION:

The workload of the State Gaming Control Board and Nevada Gaming Commission has substantially increased over the last several years the Legislature has recognized this increased workload and granted additional staff to the Board to compensate. For example, in the last session of the Nevada Legislature, the State Gaming Control Board was granted 87 new positions. However, since 1959, when the reorganization of the gaming regulatory agencies took place, there have been, and still are, only two clerical positions to assist the executive secretary. Additionally, the work of the position of executive secretary has increased to the extent that it is no longer physically possible for a single person to handle all of the responsibilities of that office. The Nevada Gaming Commission feels that the addition of the assistant executive secretary position will greatly increase the effectiveness of the executive secretary and will provide a division of responsibilities so that the office will as a whole function more effectively.

(1/14/80)

MANAGEMENT ASSISTANT II
(PROPOSED NEW CLASSIFIED POSITION)
NEVADA GAMING COMMISSION
STATE GAMING CONTROL BOARD
(LAS VEGAS OFFICE)

DEFINITION OF THE CLASS:

Under general supervision, assists agency management by providing pre-professional or technical support to the agency program of service or general administrative support to the degree required in such typical areas as personnel, research and report preparation plus related office services, with heavy emphasis on administrative level secretarial skills.

MINIMUM QUALIFICATIONS:

Education and Experience:

Three years of clerical experience, including two years at a journey level.

Knowledge, Skills and Abilities:

Substantial knowledge of relatively complex technical or specialized subject matter appropriate to the position; ability to deal tactfully and effectively with the public utilizing discretion and diplomacy; ability to act in cooperation with Gaming Control Board staff and serve in a liaison capacity between Board personnel, and Nevada Gaming Commissioners. Broad secretarial knowledge is required as well as comprehension of legal terminology.

EXAMPLES OF DUTIES:

This position will work directly under the Assistant Executive Secretary who will be stationed in Carson City; therefore, employee must be able to perform duties which are not subject to immediate supervision and review. The work will consist of correlation, integration, and implementation of the Commission's needs and requirements with the Board. Guidelines and instructions available to govern the work will be general, requiring analysis and judgment to be exercised. A thorough knowledge of the Nevada Gaming Control Act and Regulations of the Board and Commission, plus a quasi-judicial orientation will be necessary.

(1/14/80)

POSITION CLASSIFICATION AND SALARY:

The position of Management Assistant II would be in the classified service, with a salary range of $11,267.68 to $15,345.55 annually (as of January 1, 1980).

JUSTIFICATION:

The workload of the State Gaming Control Board and Nevada Gaming Commission has substantially increased over the last several years; the Legislature has recognized this increased workload and granted additional staff to the Board to compensate. For example, in the last session of the Nevada Legislature, the State Gaming Control Board was granted 87 new positions. However, since 1959, when the reorganization of the gaming regulatory agencies took place, there have been, and still are, only two clerical positions to assist the Executive Secretary in providing necessary services to the Nevada Gaming Commission and State Gaming Control Board.

ADMINISTRATIVE AID II (RANGE B)
(PROPOSED NEW CLASSIFIED POSITION)
NEVADA GAMING COMMISSION
STATE GAMING CONTROL BOARD
(CARSON CITY OFFICE)

DEFINITION OF THE CLASS:

Performs more complex office support duties expected of an experienced employee in the areas of mail processing, typing forms and letters, general filing, researching, answering general information questions, and other related duties as assigned; much of the incumbent's time must be spent productively utilizing steno skills.

MINIMUM QUALIFICATIONS:

Education and Experience:

Six months of related experience, preferably with the same agency, and satisfactory performance accompanied by a recommendation of the appointing authority.

Knowledge, Skills and Abilities:

Knowledge of office procedure such as files organization, forms control, mail processing. Knowledge of agency goals. Demonstrated skill in the operation of a typewriter at the rate of 45 net WPM, and ability to take dictation at the rate of 90 WPM. Secretarial skills in simple mathematical calculations, operation of office machines such as calculator, Xerox, Sony recording/dictating equipment, and a knowledge of good grammar and spelling. Ability to deal with the public in effective and courteous manner. General knowledge of governmental functions and the specific services provided by the employing agency.

EXAMPLES OF DUTIES:

This position will work directly under the Management Assistant I (Administrative Division and formerly Supervising Administrative Aid) in Carson City. The employee must be able to make choices and take action in performing a variety of relatively standardized assignments. Work requires some analysis and judgment in the application of standardized practices and procedures, using general work instructions. Supervisory control over the work is that of reviewing work on completion; emphasis will be on competent, mid-level secretarial skills, and will require supervisor/subordinate interaction and contacts with all employees within the agency, with some interaction with the public.

POSITION CLASSIFICATION AND SALARY:

The position of Administrative Aid II, Range B, would be in the classified service, with a salary range of $9,494.76 to $12,841.83 annually (as of January 1, 1980).

JUSTIFICATION:

The workload of the State Gaming Control Board and Nevada Gaming Commission has substantially increased over the last several years; the Legislature has recognized this increased workload and granted additional staff to the Board to compensate. For example, in the last session of the Nevada Legislature, the State Gaming Control Board was granted 87 new positions. However, since 1959, when the reorganization of the gaming regulatory agencies took place, there have been, and still are, only two clerical positions to assist the Executive Secretary in providing necessary services to the Nevada Gaming Commission and State Gaming Control Board.

AUDIT DIVISION
STATE GAMING CONTROL BOARD

Projected Manpower

Requirements For

Fiscal Years

Beginning

7/1/80, 7/1/81 and 7/1/82

	*Actual # of Man-Hours Spend During Fiscal Year 7/1/78 thru 6/30/79	Required to do an Adequate Job -Fiscal Year Beginning- 7/1/80 (1)	7/1/81 (1)	7/1/82 (1)
Audit Functions				
a. Routine Audits - Group I's	46,776	80,250 (2)	90,683 (3)	102,471 (3)
b. Observations of Activities in Licensed Gaming Establishments	1,169	21,056 (4)	23,338	25,672
c. Six Month Review Audits. New Group I Licensees	-0-	3,260 (5)	3,586	3,945
d. Review of Group I Licensee Financial Statements and Independent CPA Letters	2	580 (6)	638	702
e. Review and Investigation of Licensee Loan Transactions	1,817	3,044 (7)	3,348	3,683
f. Review and Investigation of Licensee Lease Agreement	3	1,100 (8)	1,210	1,331
g. Computer Systems Analysis and Review	-0-	7,610 (9)	5,784	6,362
h. Assistance to Other Divisions and Special Units and Special Assignments From the Board	4,188	4,606 (1)	5,067	5,574
i. Final Licensee Audits Resulting From Closure or Change of Ownership	-0-	4,566 (10)	5,025	5,525
j. Routine Audits - Group II's	-0-	3,000 (11)	3,000	3,000
Total Man-Hours for Audit Functions	53,955	129,072	141,677	158,265
Internal Control				
a. Complete Review of Existing Group I Licensees	5,796	7,860 (1)	7,860 (12)	
b. Review New Gaming Applicants Systems	-0-	2,800 (13)	3,080	3,388
c. Review of Updates to Existing Systems	-0-	2,445 (14)	2,689	2,957
d. Review of CPA Compliance Reports for Group I Licensees	-0-	580 (15)	638	701
e. Follow-up on Regulation Violations and Internal Control Weaknesses	202	1,740 (16)	1,914	2,105
f. Providing Technical Assistance to Field Auditors	-0-	1,522 (17)	1,674	1,841
Total Man-Hours for Internal Control Functions	7,839	16,947	17,855	10,992
Staff Development				
a. Training Programs and Preparation	-0-	1,529 (18)	1,529 (19)	1,529 (19)
b. Recruiting	523	520 (20)	520 (19)	520 (19)
Total Man-Hours for Staff Development	523	2,049	2,049	2,049
Total Direct Man-Hours Required		148,068	161,581	171,306
Total Number of Professional Staff Required		97 (21)	106 (21)	112 (21)
Total Number of Administrative Staff Required		9 (22)	10 (22)	10 (22)
Total Number of Professional staff Required		106	116	122
Total Number of Secretarial Staff Required		11 (23)	12 (23)	13 (23)

* Represents last fiscal year for which statistics are available

FOOTNOTES TO MANPOWER REPORT

(1) Unless otherwise stated, all estimated figures found in the referenced columns contain a 10% increase in estimated man-hours over the immediate previous fiscal year. This 10% automatic increase in estimated man-hours is predicated on the assumption that the Audit Division's workload will expand at a rate consistent with the rate of growth of the Gaming industry. Such growth of the Gaming industry can be measured in a number of manners. For purposes of this manpower budget, it is believed that such growth, as measured by the increase in the number of Group I Licensees, presents the most rational relationship to the estimated increase in man-hours for all Audit Division functions. Where appropriate, however, this assumption will be modified and such modification will be disclosed.

The 10% increase was arrived at based on the following analysis:

Average Number of Group I Licensees*	Year
102	1975
114	1976
137	1977
148	1978
154	1979

This equates to an approximate 50% increase in Group I Licensees over a five year period. Accordingly, the Audit Division's workload increase is predicted at 10% per year over the previous year.

It should be noted that this estimate of a 10% increase per year in man-hours is conservative for the following reasons:

a) Gross gaming revenue is increasing at a rate in excess of 10% per year.

b) The increase in the average number of Group I Licensees in 1979 over 1978 is actually greater than as represented above (154 - 148 = 6). Such misrepresentation results because of a statutory change in the definition of a Group I Licensee, whereby a significant number of then existing Group I Licensees were reduced to Group II status. See footnote 5 for additional light on this matter.

(2) Per "Schedule of Group I licensees and Estimated Audit Time," segretated by general geographic location and attached hereto. Estimates were prepared by the Audit Supervisor and are based on a two year audit cycle.

(3) Estimates include, in addition to the 10% increase per footnote 1, a 3% increase over the previous fiscal year for a "volume factor." Such "volume factor" results from the phenomenon that as the revenue of the licensee increases, more documents are generated and additional time is therefore required to test this increased documentation.

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* Per Economic Research Division

(4) Estimated at hours per quarter for Group I Licensee's (only), for interim testing and verifications as follows:

1 soft count & cage count	10 hrs.
1 hard count	16 hrs.
1 bankroll verification	9 hrs.
1 casino observation	4 hrs.
	39 hrs.

For purposes of this calculation, the actual number of Group I Licensees that would be observed on a quarterly basis is calculated as follows:

Current number of Group I Licensees		163
Less:	Race and Sports Books that are a Group I licensee on premises with another Group I licensee	(18)
Less:	9 outlying Reno/Carson City Group I licensees (to be done once/year instead of once/quarter	(9)
		136

Calculation: 136 licensees X 39 hours/quarter X 4 quarters...21,216

Because not all of the remaining 135 licensees require a soft count, the above figure is reduced by the following:

4 man-hours per soft count X 10 gaming establishments that will not require a soft count X 4 quarters.....	(160)
	21,056

(5) Estimate predicated on the following:

a) Although there were 29 new Group I Licensees during the 1979 year, the increase of required man-hours was calculated using a 10% increase of the current licensees of 163 which is a more conservative figure.

b) It is estimated that an average of 200 man-hours will be required per six month review audit.

(6) Estimate excludes Group I Race and Sports Book Licensees that are part of an already existing Group I Licensee. It is estimated that an average of four hours are required to review the referenced financial statements and opinion letters by independent public accounting firms engaged by the Licensees.

(7) Assumes two agents full time required (2) X 1522 (average direct hours available per agent*) = 3044

*Average direct hours available per agent calculated as follows:

Number of man-hours available per year (52 weeks X 40 hours/week)	2,080
Less: 10 Holidays	(80)
3 weeks vacation	(120)
1½ weeks sick leave	(60)
4 weeks training & staff meetings	(160)
Average direct hours available	1,522

(8) Based on four hours/lease times estimated 275 lease submissions.

(9) Estimate assumes five full time agents required to perform this function.

(10) Estimate assumes three full time agents required to perform this function.

(11) Historically, Group II Licensees have been ignored for routine audit purposes. It is recognized that insufficient manpower exists to effectively audit this class of gaming establishment throughout the State. However, it is felt that the Board's presence must be established among the Group II's and for this reason a minimal number of hours have been allocated for this purpose.

(12) Calculated as follows:

Group I Licensees (on the average 50% completed)	63 X	60* =	3,720
Group I Licensee 100% uncompleted	100 X	120**=	12,000
Total number of Group I Licensees	163		15,720***

*Estimated man-hours necessary to complete the review

**Such figure of 120 man-hours assumes a review of the system submissions (80 hrs.) and an in-field compliance check (40 hours).

***Allocated 50% each to fiscal years beginning 7/1/80 and 7/1/81.

(13) Calculated as follows:

An average of 16 new Group 1 Licensees/year X 120 hours/licensee to review the system	1,920
An average of 10 additions of new games to existing licensees/year X 22 hours/addition	220
Removal of conditions on gaming licenses placed thereto by the Nevada Gaming Commission, 15 removals/ year X 4 hours/removal	60
Man-hours spent on withdrawn gaming applications or denied gaming licenses (10/year X 30 hours/application)	300
Estimated licensee orientation man-hours	300
	2,800

(14) Calculated as follows:

163 Group I Licensees X an average of 15 hours/year per licensee to update the system = 2,445

(15) Calculated as follows:

145 Group I Licensees (163 Group I Licensees - 18 associated Group I race and sport book licensees) X 4 hours/licensee = 580

(16) 12 hours/licensee X 145 Group I Licensees = 1740

(17) Estimate based upon the use of one Agent on a full-time basis.

(18) Calculated as follows:

Continuing education seminars: Two agents/month X 16 hours preparation X 12 months X 2 offices	768 hrs.
One agent 1/2 time to assist Special Projects Supervisor in developing and administering training programs	761 hrs.
	1,529 hrs.

(19) No growth projected.

(20) Calculated as follows:

Estimated # of in-house interviews anticipated during the referenced fiscal year (40) X the historical # of non-administrative personnel man-hours per in-house interview (4 hours).....160

Recruiting trips: - One agent X 20 days/year.....240

Misc. non-administrative personnel time.....120

520

(21) Calculated based on the assumption that there are an average of 1522 direct man-hours available per agent per year. See footnote 7 for the details relative to the assumptions utilized in calculating this average figure.

It should be noted that as a result of decreased annual leave benefits for those employees hired after July 1, 1979, this figure of 1522 should increase. However, for purposes of this calculation, such increase is not included as it is assumed that any such man-hour benefit derived therefrom will be negated by anticipated increased administrative matters.

(22) Administrative staff projected to 7/1/82 are as follows:

Chief		1
Deputy Chief's		2
Supervisors:		
Audit Supervisor (2 at 7/1/80)	3	
Internal Control Supervisor	1	
Review Supervisor	1	
Special Projects Supervisor	1	
Electronics Supervisor	1	7
		10

(23) Calculated as follows:

1 Secretary for the Chief of the Division
1 Secretary for other Administrative Staff
1 Secretary for each 10 Non-Administrative Staff

Using the above formula, secretarial requirements for fiscal years beginning 7/1/80, 7/1/81 and 7/1/82 are as follows:

July 1, 1980.....11 Secretaries
July 1, 1981.....12 Secretaries
July 1, 1982.....13 Secretaries

It is estimated that this level of secretarial staff would be sufficient if augmented with improved equipment such as a word processer and additional Mag Card typewriters.

INTERNAL CONTROL STAFF

	3/1/80	Now Allocated 7/1/80	Proposed Allocation 7/1/80	7/1/81	7/1/82
Supervisor	1	1	1	1	1
Senior Agent	2	2	3	3	3
Agent II	2	2	4	4	4
Agent I	1	1	2	3	4
	6	6	10	11	12

ELECTRONICS STAFF

	3/1/80	Now Allocated 7/1/80	Proposed Allocation 7/1/80	7/1/81	7/1/82
Supervisor			1	1	1
Senior Agent				1	2
Agent II	1	1	2	3	3
Agent I	1	1	2	3	4
	2	2	5	8	10

AUDIT STAFF

	3/1/80	Now Allocated 7/1/80	Proposed Allocation 7/1/80	7/1/81	7/1/82
Supervisors	1	1	2	3	3
Senior Agent	7	9	11	11	10
Agent II	17	19	23	24	27
Agent I	29	33	49	52	52
	54	62	85	90	92

REVIEW STAFF

	3/1/80	Now Allocated 7/1/80	Proposed Allocation 7/1/80	7/1/81	7/1/82
Supervisor			1	1	1
Senior Agent	1	1	1	2	3
Agent II					
Agent I					
	—	—	—	—	—
	1	1	2	3	4

SPECIAL PROJECTS STAFF

	3/1/80	Now Allocated 7/1/80	Proposed Allocation 7/1/80	7/1/81	7/1/82
Supervisor	1	1	1	1	1

AUDIT DIVISION

STATUS REPORT

Total Licensees	163
Licensees Currently Under Audit	26
Licensees Audited Within the Past Two Years	74
Licensees Audited between Two and Three Years Past	44
Licensees Audited Between Three and Four Years Past	19

AUDIT DIVISION

DISTRIBUTION OF TOTAL PROFESSIONAL STAFF
BY POSITION

	Total Allocated 7/1/79	Special Investigation Unit	Remaining Allocation 3/1/80	Now Allocated 7/1/80	Proposed Allocation 7/1/80	7/1/81	7/1/82
Chief & Deputy Chiefs	3		3	3	3	3	3
Supervisors	4	(1)	3	3	6	7	7
Senior Agents	13	(3)	10	12	15	17	18
Agent II's	21	(1)	20	22	29	31	34
Agent I's	31		31	35	53	68	60
Total	72	(5)	67	75	106	116	122

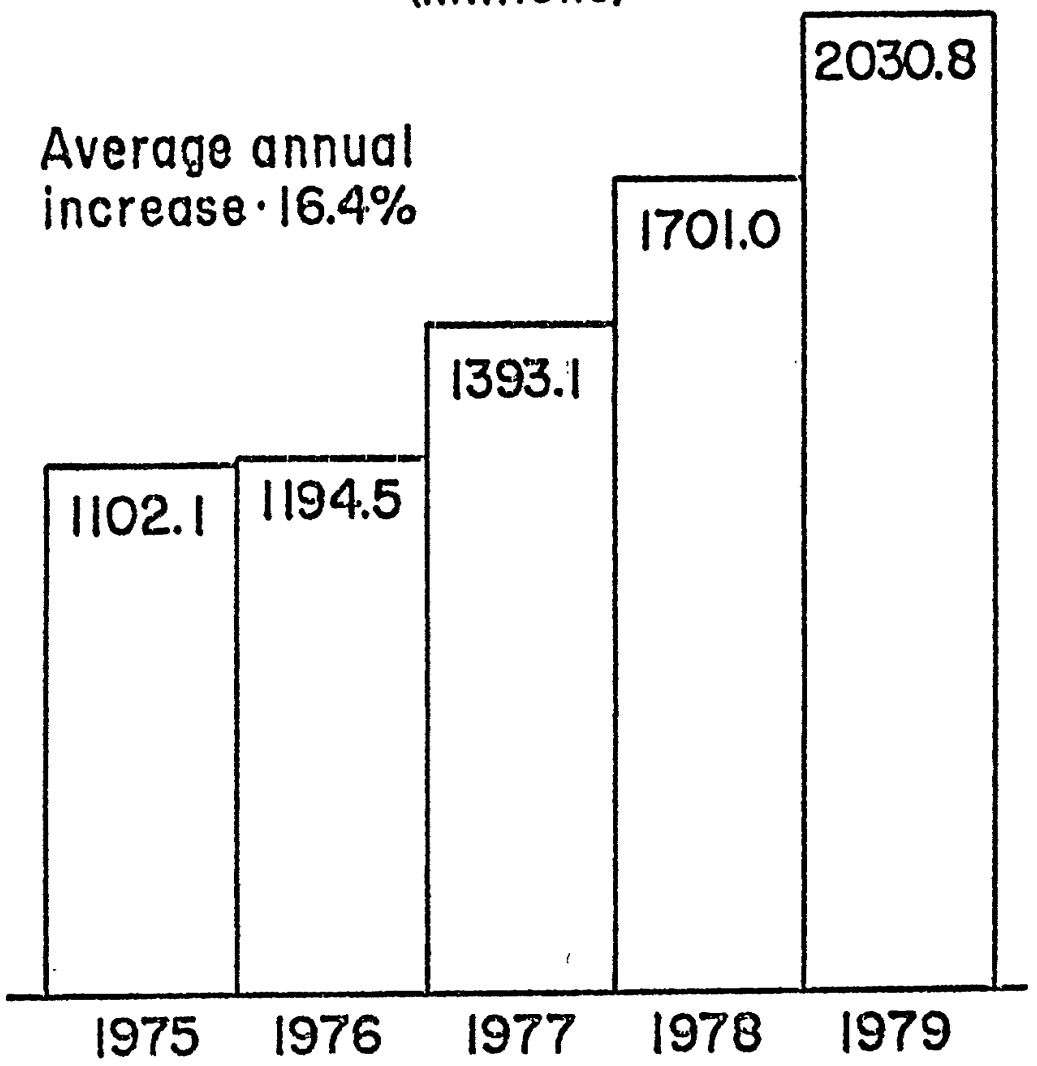
AUDIT DIVISION
STATE GAMING CONTROL BOARD

SUMMARY OF MANPOWER REQUIREMENTS

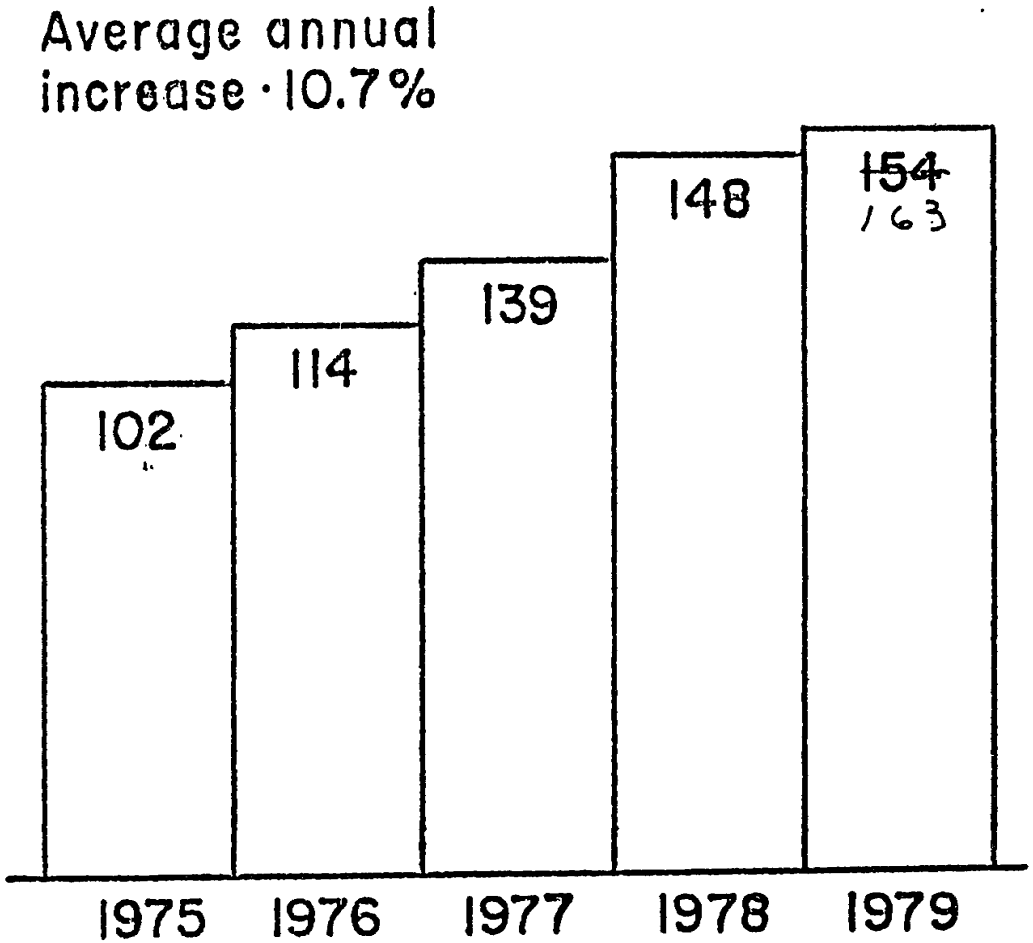
The following summary compares present staff allocations to those necessary to perform the minimum functions required of the Division:

	3/1/80 Staff Allocations	7/1/80 Staff Allocations	7/1/80 Projected Staff Requirements	7/1/80 Shortfall Allocations	7/1/81 Projected Staff Requirements	7/1/80-7/1/81 Staff Shortfall	7/1/82 Projected Staff Requirements	7/1/80-7/1/82 Staff Shortfall
Administrative Staff	6	6	9	(3)	10	(4)	10	(4)
Professional Staff	61	69	97	(29)	106	(37)	112	(43)
Secretarial Staff	9	9	11	(2)	12	(3)	13	(4)

GROSS GAMING REVENUE
STATEWIDE
(Millions)



GROUP I LICENSEES
STATEWIDE



SCHEDULE OF GROUP I LICENSEES
AND ESTIMATED AUDIT TIME REQUIRED

LAS VEGAS		RENO/CARSON CITY	
Licensee	Hours Assigned	Licensee	Hours Assigned
Aladdin	4000	Fallon Nugget	400
Ambassador	800	Barney's Club	800
Ambassador East	1000	Harrah's Club (Tahoe)	2800
Barbary Coast	500	Harvey's Inn	1200
Bingo Palace	1200	Harvey's Resort Hotel	2100
Caesar's Palace	4000	Sahara Tahoe	3000
California Hotel and Casino	1200	South Tahoe Nugget	400
Castaways	800	Barton's Club 93 (Jackpot)	600
Churchill Downs	400	Cactus Pete's (Jackpot)	600
Circus Circus	1800	Commercial Hotel (Elko)	600
Club Bingo	400	Horse Shu Club (Jackpot)	600
Coin Castle	400	Jim's Casino (Wendover)	600
Crystal Palace	800	Stateline (Wendover)	700
Desert Inn	3300	Stockman's Motor Hotel (Elko)	600
Dunes	4500	Winners Inn	800
El Cortez	1300	El Capitan Club	800
Eldorado Club	500	Carson Nugget, Inc.	800
El Morocco	400	Chuck's Golden Spike Casino	500
Pioneer Club (Famous)	300	The Ormsby House	800
Flamingo Capri	400	Sparks Nugget	800
Flamingo Hilton	2100	Bonanza Square Casino	400
Four Queens	1500	Boomtown	800
Foxy's Firehouse	500	Club Cal-Neva	1200
Fremont	1800	Crystal Bay Club	500
Friendly Club	500	Eldorado Hotel & Casino	800
Frontier	2800	Fitzgerald's	800
Gold Strike Inn	400	Gold Dust Casino	500
Golden Gate	600	Harold's Club	1200
Golden Goose	400	Harrah's Club - Reno	2800
Golden Nugget	1500	Harrah's Sports Casino	800
Granada	500	Holiday Hotel	500
Holiday	1500	Horseshoe Club	500
Holiday International	800	Hyatt Lake Tahoe	1200
Horseshoe Club	1000	Karl's Silver Club	600
Hotel Nevada	500	Jim Kelley's Nugget	500
Jerry's Nugget	600	King of Clubs	800
Jolly Knights	500	Kings Inn Casino	800
Jolly Trolley	800	Mapes Enterprises, Inc.	500
Lady Luck	800	Mapes Hotel	500
Las Vegas Club	500	Money Tree Casino	800
Landmark	1000	Monte Carlo	800
Hacienda	1500	Nevada Club	800
Las Vegas Hilton	3800	Nevada Lodge	500
Little Caesars	400	New Shy Clown	600

SCHEDULE OF GROUP I LICENSEES
AND ESTIMATED AUDIT TIME REQUIRED

LAS VEGAS		RENO/CARSON CITY	
Licensee	Hours Assigned	Licensee	Hours Assigned
Marina	1000	Onslow Jotel & Casino	500
Maxim	1500	Overland Gold Club	400
McCarran Airport	500	Palace Club	500
MGM Grand	3800	Pioneer Inn Casino	500
Mint	1500	The Plantation	500
Mr. Sy's	500	Ponderosa	500
Nevada Club	800	The Primadonna Club	1500
Nevada Palace	500	Pick Hobson's Riverside	500
Nob Hill	800	Sands Motor Inn	600
Orbit Inn	500	Silver Spur	500
Rainbow Club	500	Sparks Mint	500
Rendezvous	800	Sundowner Hotel & Casino	1000
Riviera	3300	Stateline Race Book	400
Riverside	1000	MGM Grand	4000
Royal Casino	800	Comstock	1800
Royal Inn	1000	Circus Circus	2500
Sahara	3300	Park Tahoe	2500
Sam's Town	1000	Cal Neva Lodge	500
Sands	2800	Claimstake	800
Showboat	1500	Tahoe Mariner	800
Silverbird	2800	Sierra Sid's	500
Silver City	800	Gold Dust West	600
Silver Nugget	800		
Silver Slipper	800		
Slots-A-Fun	800		
Stardust	2500		
Sundance West	400		
Treasury	800		
Tropicana	4000		
Union Plaza	1800		
Vegas World	800		
Western	300		
Westward Ho	400		
Whiskey Pete's	800		
Western Village	800		
TOTAL HOURS	100,300	TOTAL HOURS	60,200

Las Vegas	100,300
Reno/Carson City	60,200
GRAND TOTAL	160,500

	*Actual # of Man-Hours Spent During Fiscal Year 7/1/78 thru 6/30/79	MAN HOURS Required to do an Adequate Job -Fiscal Year Beginning- 7/1/80 (1)	7/1/81 (1)	7/1/82 (1)
AUDIT FUNCTIONS				
a. Six Month Review Audits. New Group I Licensees	-0-	3,260 (5)	3,586	3,945
b. Computer Systems Analysis and Review	-0-	7,610 (9)	5,784	6,362
c. Final Licensee Audits Resulting From Closure or Change of Ownership	-0-	4,566 (10)	5,023	5,525
d. Routine Audits - Group II's	-0-	3,000 (11)	3,000	3,000
Internal Control				
a. Review New Gaming Applicants	-0-	2,800 (13)	3,080	3,399
b. Review of Updates to Existing Systems	-0-	2,445 (14)	2,689	2,957
c. Review of CPA Compliance Reports for Group I Licensees	-0-	580 (15)	638	701
d. Providing Technical Assistance to Field Auditors	-0-	1,522 (17)	1,674	1,841
Staff Development				
a. Training Programs and Preparation	-0-	1,529 (18)	1,529 (19)	1,529 (19)

AUDIT DIVISION
STATE GAMING CONTROL BOARD
SUMMARY OF MANPOWER REQUIREMENTS

THE FOLLOWING SUMMARY COMPARES PRESENT STAFF ALLOCATIONS TO THOSE NECESSARY TO PERFORM THE MINIMUM FUNCTIONS REQUIRED OF THE DIVISION:

	3/1/80 STAFF ALLOCATIONS	7/1/80 STAFF ALLOCATIONS	7/1/80 SHORTFALL ALLOCATIONS	7/1/80-7/1/81 STAFF SHORTFALL	7/1/80[1]-7/1/81[2] STAFF SHORTFALL
ADMINISTRATIVE STAFF	6	6	(3)	(4)	(4)
PROFESSIONAL STAFF	61	69	(29)	(37)	(43)
SECRETARIAL STAFF	9	9	(2)	(3)	(4)

AUDIT DIVISION

DISTRIBUTION OF TOTAL PROFESSIONAL STAFF BY POSITION

	Total Allocated 7/1/79	Special Investigation Unit	Remaining Allocation 3/1/80	Now Allocated 7/1/80	Proposed Allocation 7/1/80	7/1/81	7/1/82
Chief & Deputy Chief	3		3	3	3	3	3
Supervisors	4	(1)	3	3	6	7	7 ✓
Senior Agents	13	(3)	10	12	15	17	18 ✓
Agent II's	21	(1)	20	22	29	31	34
Agent I's	31	—	31	35	35	68	60
TOTAL	72	(5)	67	75	106	116	122

AUDIT DIVISION
STATUS REPORT

Total Licensees	163
Licensees Currently Under Audit	26
Licensees Audited Within the Past Two Years	74
Licensees Audited Between Two and Three Years Past	44
Licensees Audited Between Three and Four Years Past	19

INTERNAL CONTROL STAFF

	3/1/80	New Allocated 7/1/80	Proposed Allocation 7/1/80	7/1/81	7/1/82
Supervisor	1	1	1	1	1
Senior Agent	2	2	3	3	3
Agent II	2	2	4	4	4
Agent I	1	1	2	3	4
TOTAL	6	6	10	11	12

REVIEW STAFF

	3/1/80	Now Allocated 7/1/80	Proposed Allocation 7/1/80	7/1/81	7/1/82
Supervisor			1	1	1
Senior Agent	1	1	1	2	3
Agent II					
Agent I	–	–	–	–	–
TOTALS	1	1	2	3	4

ELECTRONICS STAFF

	3/1/80	Now Allocated 7/1/80	Proposed Allocation 7/1/80	7/1/81	7/1/82
Supervisor			1	1	1
Senior Agent				1	2
Agent II	1	1	2	3	3
Agent I	1	1	2	3	4
TOTALS	2	2	5	8	10

POSITION	PRESENT MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	CAREER LADDER SALARY RANGE STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
CHIEFS							
Audit	31,650	40,000	36,000	37,000	38,000	39,000	40,000
Enforcement	31,650	37,000	33,000	34,000	35,000	36,000	37,000
Investigation	31,650	37,000	33,000	34,000	35,000	36,000	37,000
Tax & License	30,595	37,000	33,000	34,000	35,000	36,000	37,000
Corp. Securities	30,595	37,000	33,000	34,000	35,000	36,000	37,000
Deputy Chiefs							
Audit (2)	25,848	35,000	31,000	32,000	33,000	34,000	35,000
Enforcement (2)	25,848	33,500	29,500	30,500	31,500	32,500	33,500
Investigation (2)	25,848	33,500	29,500	30,500	31,500	32,500	33,500
Tax & License (1)	23,738	31,500	27,500	28,500	29,500	30,500	31,500
Supervisors							
Audit (4)	24,792	32,000	28,000	29,000	30,000	31,000	32,000
Special Inv. (1)	24,792	31,000	27,000	28,000	29,000	30,000	31,000
Senior Agents							
Audit (12)	23,737	29,000	25,000	26,000	27,000	28,000	29,000
Investigation (4)	24,001	28,000	24,000	25,000	26,000	27,000	28,000
Enforcement (8)	23,210	28,000	24,000	25,000	26,000	27,000	28,000
Tax & License (1)	20,573	27,000	23,000	24,000	25,000	26,000	27,000
Agent II							
Audit (22)	21,944	26,000	22,500	23,375	24,250	25,125	26,000
Investigation (13)	22,155	25,000	21,000	22,000	23,000	24,000	25,000
Enforcement (17)	21,364	25,000	21,000	22,000	23,000	24,000	25,000
Agent I							
Audit (31)	19,518	23,000	16,000	17,750	19,500	21,250	23,000
Investigation (17)	20,573	22,000	18,000	19,000	20,000	21,000	22,000
Enforcement (21)	20,573	22,000	18,000	19,000	20,000	21,000	22,000
Tax & License (2)	17,408	21,000	16,000	17,250	18,500	19,750	21,000

POSITION	PRESENT MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	CAREER LADDER SALARY RANGE STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Coord.-App. Svc.	25,848	32,500	28,500	29,500	30,500	31,500	32,500
Electronic Engineer	27,430	35,000	31,000	32,000	33,000	34,000	35,000
Systems Analyst-Audit	27,430	33,000	29,000	30,000	31,000	32,000	33,000
Electronic Specialist	23,738	27,000	24,500	25,125	25,750	26,375	27,000
Electronic Technician	19,623	22,000	17,000	18,250	19,500	20,750	22,000
Hearing Officer	25,531	30,000	27,000	27,750	28,500	29,250	30,000
Financial Analyst	25,320	28,000	24,000	25,000	26,000	27,000	28,000
Securities Analyst	24,793	29,000	25,000	26,000	27,000	28,000	29,000
Statistician	15,825	(question applicability of need)					
Intelligience Specialist (Senior Agent)	24,001	28,000	24,000	25,000	26,000	27,000	28,000
Business Manager	25,320	33,500	29,500	30,500	31,500	32,500	33,500
Personnel Officer	24,793	32,000	28,000	29,000	30,000	31,000	32,000
Training Officer	25,320	29,000	25,000	26,000	27,000	28,000	29,000
Management Analyst	24,793	29,000	25,000	26,000	27,000	28,000	29,000
Executive Secretary	28,485	32,000	28,500	29,375	30,250	31,125	32,000
Legal Researcher	15,825	20,000	16,000	17,000	18,000	19,000	20,000

DIVISION SALARY BUDGETS *excludes classified positions

		PRESENT *excludes 1980-81 new positions	PROJECTED (for present staff size) *excludes cost-of-living projection
1.	Administration (excluding Board)	$151,922	175,750
2.	Investigation	816,283	923,000
3.	Audit	1,379,277	1,676,500
4.	Enforcement	950,294	1,162,500
5.	Corporate Securities	51,695	64,000
6.	Tax & License	158,298	185,000
7.	Electronics	98,221	114,000
8.	Legal (excluding attorneys)	15,825	18,000
	TOTAL	3,621,815	4,318,750

NEVADA GAMING CONTROL BOARD POSITIONS AS COMPARED TO RELATIVELY SIMILAR POSITIONS IN PRIVATE INDUSTRY, OTHER PUBLIC JURISDICTIONS AND THE STATE OF NEVADA CLASSIFIED EMPLOYEE SYSTEM.

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Enforcement	Chief	31,650	37,000	(L.V. Metro Police) Asst. Sheriff	30,984-40,752
				(Washoe Co. Sheriff's Offc.) Chief Deputy	30,000-35,000
				(Reno P.D.) Asst. Chief-level 2	34,050
				(FBI-Special Agent in Charge) Bureau Chief	40,832-50,112
				(IRS-G.S.14) Bureau Chief	34,713-45,126
				(Cal. Dept. of Justice) Asst. Director	29,700-39,468
Enforcement	Deputy Chief	27,348	33,500	(L.V. Metro Police) Dep. Chief	26,460-33,480
				(Washoe Co. Sheriff) Captain	23,990-29,200
				(Reno P.D.) Asst. Chief-Level 1	31,138
				(Ca.Dept. of Justice) Bureau Chief	29,500-34,000
				I.R.S. G.S. 14	34,713-45,126
				Special Agent-F.B.I. G.S. 14	34,713-45,126

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Enforcement	Senior Agent	23,210	28,000	(L.V.Metro Police) Captain	20,880-26 316
				(Washoe Co. Sheriff) Lieutenant	22,808-25,060
				(Reno P.D.) Captain	27,954-30,398
				(Ca. Dept. of Justice) Agent III	25,788-31,140
				(F.B.I.) G.S. 13 Supervisory Agent	29,375-38,186
				(I.R.S.) G.S. 12 Revenue Agent	24,703-32,110
Enforcement	Agent II	21,364	25,000	(L.V.Metro Police) Sergeant	17,808-22,428
				(Wa. Co. Sheriff) Sergeant	19,967-21,795
				(Reno P.D.) Sergeant	22,250-23,056
				(Ca. Dept. of Justice) Agent II	23,496-28,344
				(F.B.I.) G.S. 12 Special Agent	24,703-32,110
				(I.R.S.) G.S. 11 Revenue Agent	20,611-26,794

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Enforcement	Agent I	20,573	22,000	(Las Vegas Metro.) Police Officer II	14,736-18,594
				(Wa. Co. Sheriff) Deputy	14,952-19,288
				(Reno P.D.) Patrolman	14,657-20,585
				(Ca. Dept. of Justice) Agent I	19,488-23,976
				(F.B.I.) G.S.9-10 Special Agent	18,760-24,385
				(I.R.S.) G.S.5-9 Agent	11,243-22,147
Investigation	Chief	31,650	37,000	(L.V. Metro) Asst. Sheriff	30,984-40,752
				(Wa. Co. Sheriff) Chief Deputy	30,000-35,000
				(Ca. Dept. of Justice) Asst. Director	29,700-39,468
				(F.B.I. Special Agent in Charge) Bureau Chief	40,832-50,112
				(I.R.S.) Branch Chief	40,832-50,112

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Investigation	Deputy Chief	27,348	33,500	(L.V. Metro) Deputy Chief	26,460-33,780
				(Reno P.D.) Asst. Chief-level 1	31,138
				(Ca. Dept. of Justice) Bureau Chief	29,500-34,000

NEVADA GAMING CONTROL BOARD POSITIONS AS COMPARED TO RELATIVELY SIMILAR POSITIONS IN PRIVATE INDUSTRY, OTHER PUBLIC JURISDICTIONS AND THE STATE OF NEVADA CLASSIFIED EMPLOYEE SYSTEM.

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Investigation	Supervisor	25,992	31,000	(L.V. Metro Police) Commander	23,544-29,784
Investigation	Senior Agent	25,301	28,000	(L.V. Metro Police) Captain	20,880-26,316
				(Washoe Co. Sheriff) Captain	23,990-29,200
				(Reno P.D.) Captain	27,954-30,398
				(Ca. Dept. of Justice) Agent III	25,788-31,140
				(FBI) Supervisory Agent	29,375-38,186
				(IRS) Supervisory Revenue Agent	29,375-38,186
Investigation	Agent II	22,155	25,000	(L.V. Metro Police) Sergeant	17,808-22,428
				(Washoe Co. Sheriff) Sergeant	19,967-21,795
				(Reno P.D.) Sergeant	22,250-23,056
				(Ca. Dept. of Justice) Agent II	23,496-28,344
				(FBI) Special Agent	23,450-32,110
				(IRS) Revenue Agent	23,450-32,115

NEVADA GAMING CONTROL BOARD POSITIONS AS COMPARED TO RELATIVELY SIMILAR POSITIONS IN PRIVATE INDUSTRY, OTHER PUBLIC JURISDICTIONS AND THE STATE OF NEVADA CLASSIFIED EMPLOYEE SYSTEM

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Investigation	Agent I	20,573	22,000	(L.V. Metro Police)	
				Police Officer II	14,736-18,504
				(Washoe Co. Sheriff)	
				Deputy	14,952-19,288
				(Reno P.D.)	
				Patrolman	14,657-20,585
				(Ca. Dept. of Justice)	
				Agent I	19,488-23,976
				(FBI)	
				Special Agent	18,760-25,301
Audit	Chief	31,650	40,000	(PSC)	
				Chief Auditor	35,026
				(Dept. of Taxation)	
				Chief Auditor	30,680
				(Transportation Dept.)	
				Chief Accountant	32,168
				(IRS)	
				Chief-Audit Section	40,832-50,112
				(Nv. CPA Firm)	
				Managing Partner	
Audit	Deputy Chief	27,348	35,000	(Dept. of Taxation)	
				Asst. Chief-Audit Div.	27,916
				(IRS)	
				Revenue Agent	34,713-45,126
				(Nv. CPA Firm)	

NEVADA GAMING CONTROL BOARD POSITIONS AS COMPARED TO RELATIVELY SIMILAR POSITIONS IN PRIVATE INDUSTRY, OTHER PUBLIC JURISDICTIONS AND THE STATE OF NEVADA CLASSIFIED EMPLOYEE SYSTEM

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Audit	Supervisor	25,992	32,000	(Transp. Dept.) Highway Acctg. Proj. Sup.	29,267
				(Nv. CPA Firm)	33,600-35,000
				(IRS) Revenue Agent	29,375-38,186
Audit	Senior Agent	25,037	29,000	(PSC) Senior Auditor	30,384
				(State Classified Post.) Superv. Auditor	26,638
				(State Classified Post.) Superv.-Int. Audit	26,638
				(IRS) Revenue Agent	29,375-38,186
				(Nv. CPA Firm)	20,400-25,200
Audit	Agent II	21,944	26,000	(PSC) Auditor	27,641
				(State Classified Post.) Principal Auditor	17,576-24,271
				(State Classified Post.) Principal Accountant	18,395-25,424
				(IRS G.S. 11 & 12) Revenue Agent	24,703-32,110
				(Nv. CPA Firm)	18,000-19,800
Audit	Agent I	19,518	23,000	(PSC) Auditor	27,641

NEVADA GAMING CONTROL BOARD POSITIONS AS COMPARED TO RELATIVELY SIMILAR POSITIONS IN PRIVATE INDUSTRY, OTHER PUBLIC JURISDICTIONS AND THE STATE OF NEVADA CLASSIFIED EMPLOYEE SYSTEM.

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Audit	Agent I	19,518	23,000	(St. Classified Post.) Senior Accountant	16,796-23,168
				(St. Classified Post.) Accountant	14,617-20,155
				(St. Classified Post.) Senior Auditor	16,796-23,168
				(St. Classified Post.) Auditor	14,617-20,155
				(IRS G.S. 5-11) Revenue Agent	11,243-26,794
Corporate Sec.	Chief	30,595	37,000		
Corporate Sec.	Securities Analyst	24,793	29,000		
Tax & License	Chief	30,595	37,000	(Dept. of Tax.) Chief - Revenue	22,114-30,680
				(Dept. of Tax.) Executive Director	34,287
				(IRS G.S. 14) Revenue Agent	34,713-45,126
	Deputy Chief	24,738	31,500	(Dept. of Tax.) Asst. Chief-Revenue	19,251-26,638
				(Dept. of Tax.) Deputy Exec. Director	29,540
				(IRS G.S. 12) Revenue Agent	24,703-32,110

NEVADA GAMING CONTROL BOARD POSITIONS AS COMPARED TO RELATIVELY SIMILAR POSITIONS IN PRIVATE INDUSTRY, OTHER PUBLIC JURISDICTIONS AND THE STATE OF NEVADA CLASSIFIED EMPLOYEE SYSTEMS.

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Tax & License	Senior Agent	21,573	27,000	(Dept. of Tax.) Tax Administrator III	17,576-24,271
				(IRS G.S. 11) Revenue Agent	20,611-26,794

NEVADA GAMING CONTROL BOARD POSITIONS AS COMPARED TO RELATIVELY SIMILAR POSITIONS IN PRIVATE INDUSTRY, OTHER PUBLIC JURISDICTIONS AND THE STATE OF NEVADA CLASSIFIED EMPLOYEE SYSTEM

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Tax & License	Agent I	17,408	21,000	(Dept. of Tax) Revenue Officer II	15,345-21,110
				(IRS-G.S.5-11) Revenue Agent	11,243-26,794
				(State Classified Position) Field Representative	14,676-20,155
	Financial Analyst	25,320	28,000	(State Classified Position) Senior Accounting & Financial Analyst	20,155-27,916
				(State Classified Position) Senior Accounting Systems Analyst	19,251-26,638
Electronics	Electronics Engineer	27,430	35,000	(State Classified Position) Mechanical & Electrical Engineer	23,168-32,168
				(Nev. Central Data Processing Dept.) Data Processing Manager IV	24,271-33,729
	Electronic Specialist	23,738	27,000	(State Classified Position) Computer Programmer III	20,155-27,916
				(State Classified Position) Computer Systems Programmer II	20,155-27,916

NEVADA GAMING CONTROL BOARD POSITIONS AS COMPARED TO RELATIVELY SIMILAR POSITIONS IN PRIVATE INDUSTRY, OTHER PUBLIC JURISDICTIONS AND THE STATE OF NEVADA CLASSIFIED EMPLOYEE SYSTEM

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Electronics	Electronic Technician	19,623	22,000	(State Classified Position) Computer Programmer I	15,345-21,110
				(State Classified Position) Computer Programmer II	17,576-24,271
Legal	Legal Researcher	15,825	20,000	(Attorney General Office) Administrative Asst.	21,256
				(State Classified Position) Research Analyst	16,053-22,114
				(State Classified Position) Management Asst. IV	13,424-18,395
Administration	Executive Secretary	28,425	32,000	(Governor's Office) Administrative Asst.	29,540
	Hearing Officer	25,531	30,000	(Nevada Industrial Commission) Appeals Officer	29,540
				(State Welfare Division) Hearing Officer	18,395-25,424
	Business Manager	25,320	33,500	(Department of Transportation) Business Manager	33,760
				Institutional Business Manager III	22,114-30,680
				(State Classified Position) Administrative Services Officer	23,168-32,168

NEVADA GAMING CONTROL BOARD POSITIONS AS COMPARED TO RELATIVELY SIMILAR POSITIONS IN PRIVATE INDUSTRY, OTHER PUBLIC JURISDICTIONS AND THE STATE OF NEVADA CLASSIFIED EMPLOYEE SYSTEM

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Administration	Business Manager	25,320	33,500	(State Classified Position) Supervising Budget Analyst	21,110-29,267
	Systems Analyst	27,430	33,000	(State Central Data Processing) Systems Manager	22,114-30,680
				(State Classified Position) Senior Computer Systems Analyst	20,155-27,916
	Training Officer	25,320	29,000	(State Classified Position) Chief Training Manager	22,114-30,680
				(State Classified Position) Senior Training Manager	20,155-27,916
	Personnel Officer	24,793	32,000	(State Classified Position) Personnel Officer III	23,168-32,168
				(State Classified Position) Chief Personnel Manager	22,114-30,680
	Management Analyst	24,793	29,000	(State Classified Position) Senior Management Analyst	19,251-26,638
				(State Classified Position) Supervising Systems & Methods Analyst	21,110-29,267

NEVADA GAMING CONTROL BOARD POSITIONS AS COMPARED TO RELATIVELY SIMILAR POSITIONS IN PRIVATE INDUSTRY, OTHER PUBLIC JURISDICTIONS AND THE STATE OF NEVADA CLASSIFIED EMPLOYEE SYSTEM

DIVISION	POSITION	PRESENT (1/80) MAXIMUM SALARY	PROPOSED MAXIMUM SALARY	COMPARATIVE POSITIONS	SALARY OF (1/80) COMPARATIVE POSITIONS
Administration	Management Analyst	24,793	29,000	(State Classified Position) Computer Operations Analyst	19,251-26,638

Appendix C

STATE OF CALIFORNIA
EDMUND G. BROWN JR., Governor

CALIFORNIA HORSE RACING BOARD
SACRAMENTO, CALIFORNIA 95814
916—322-9228

November 13, 1980

Mr. Frank W. Daykin
Legislative Counsel
State of Nevada
Legislative Counsel Bureau
Legislative Building
Capitol Complex
Carson City, NV 89710

Dear Mr. Daykin:

This is in response to your inquiry of November 12, 1980, which concerns utilization of the information resources of the National Association of State Racing Commissioners, Lexington, Kentucky.

I agree with Nevada Racing Commission Chairman Brandsness that at the present time the only national index for racing participants is the National Association of State Racing Information System (N.A.S.R.I.S.) operated under the auspices of the National Association of State Racing Commissioners (N.A.S.R.C.). I respectfully disagree that N.A.S.R.I.S. is an adequate resource with sufficient information available to safeguard against criminal intrusion into racing, as N.A.S.R.I.S. has no criminal offender information in its files and has no legal authority to obtain, to retain or to release criminal offender information.

The N.A.S.R.I.S. resource does provide the only interstate communication and information system covering racing participants, racing licensees, racing violators and "barred" persons and collects that information from over 26 States which authorize horse racing and dog racing within their respective jurisdictions. Utilizing an individual's personal license history, available through N.A.S.R.I.S., an inquiring State Commission could obtain the individual's criminal offender records from the reporting licensing State Commission.

N.A.S.R.I.S. records are disseminated among the Member Commissions of the N.A.S.R.C. by weekly printed bulletins, by monthly updated microfiche which are available upon request, and by on-line data link computer access through leased (or owned) data terminals. In California we utilize the N.A.S.R.I.S. extensively and have

four portable and one master data terminals for our four operating field offices and our headquarters office in Sacramento. In addition, our headquarters office has computer accessories for special data retention and transmission capabilities. We enter all of our licensing, rulings (records of violations) and Decisions records by transmitting those records to N.A.S.R.I.S., which has virtually eliminated the necessity to maintain on-site clerical records of racing participants at each of our regional and operating offices.

While N.A.S.R.I.S. is an effective tool for any State Commission in the regulation of racing, it cannot supplant the total investigatory apparatus of an enforcement/investigative bureau with statutory police powers and thus with access to criminal offender and criminal intelligence records of other police agencies.

In conclusion, we commend the N.A.S.R.I.S. program as a most valuable resource for racing regulation, for communication among other racing jurisdictions and as a cost-effective records retention device. But N.A.S.R.I.S. does not provide sufficient information concerning individuals to guard against potential criminal intrusion into racing operations.

Very truly yours,

CALIFORNIA HORSE RACING BOARD

Leonard Foote
Secretary

LF:rs

Appendix D

Gaming Licensees Grossing Over $1 Million
Annually from Gaming

Fiscal Year Ended June-30-79

Dollar amounts - add 000

Area	Total revenues[1]	Gaming revenue	Gaming as pct. of ttl.	Net before FIT[3] Amount	Net before FIT[3] Pct. of ttl.
Las Vegas Strip	$1,423,995	$ 844,429	59.3%	$189,391	13.3%
Downtown Las Vegas	349,998	249,199	71.2%	70,000	20.0%
Reno/Sparks	376,489	247,730	65.8%	39,155	10.4%
South Lake Tahoe	268,702	166,327	61.9%	41,918	15.6%
Elko County	39,774	25,137	63.2%	7,199	18.1%
Balance of State	160,280	103,541	64.6%	17,951	11.2%
STATEWIDE	$2,619,238	$1,637,024[2]	62.5%	$366,693[2]	14.0%

NOTES:
1) "Total revenues" includes - gaming, rooms, restaurant and bar sales, and misc. revenues.

2) Columns do not total due to rounding

3) Federal Income Tax

	Actual 78-79	Estimated 79-80	Budget 80-81	
Carson City	169,646	284,000	284,000	
Churchill County	16,946	13,000	13,000	
Fallon	5,049	4,800	5,200	
Clark County	5,919,927	5,780,000	6,642,895	
Boulder City	-0-	-0-	-0-	
Henderson	89,328	77,000	80,000	
Las Vegas	2,201,080	2,250,000	2,500,000	
North Las Vegas	126,880	130,000	150,000	
Douglas County	923,230	1,000,000	1,200,000	plus 600, increas
Elko County	75,120	70,000	75,000	
Carlin	970	1,000	1,000	
Elko	20,986	21,000	22,000	
Wells	-0-	-0-	-0-	
Esmeralda County	1,404	1,500	1,500	
Eureka County	405	450	400	
Humboldt County	31,040	35,000	40,000	
Winnemucca	34,853	24,000	35,000	
Lander County	5,116	7,200	7,200	
Lincoln County	3,348	3,500	3,500	
Caliente	630	700	800	
Lyon County	9,128	9,202	11,000	
Yerington	-0-	-0-	-0-	
Mineral County	13,612	17,547	18,000	
Gabbs	240	360	432	
Nye County	10,454	11,000	11,000	
Pershing County	4,502	4,000	4,200	
Lovelock	-0-	-0-	-0-	
Storey County	18,893	19,000	19,000	
Washoe County	1,066,841	1,218,930	1,365,201	
Reno	2,311,721	2,643,904	2,780,545	
Sparks	356,623	335,507	324,000	
White Pine County	9,215	9,195	9,500	
Ely	-0-	-0-	-0-	