

Present: Wood, Mello, Capurro, Bowler, Espinoza, Hafen, and  
Torvinen

Absent: None

Also Present: Mr. Hillygus, Mr. Folsom, Mr. Edwin Dodson,  
Hershel Tromble, Bob Hampton, Dr. Clark, Ray  
Edmonds, Ed Shick, Sam Boyd, Fred Garland,  
Bob Osmond, Wanda Osmond, Jane Pitchford,  
Chuck Munson, Charles Evans, Mike Hines,  
J. R. Hausel, Harry Frost, Boyd Sine, Frank  
Johnson

Chairman Wood convened the meeting at 10:30 a.m.

AB-522 - Allows resale price maintenance contracts for alcoholic  
beverages.

Mr. Hillygus left price list for southern, northern and eastern  
Nevada for the committee to study. He stated that 95% of the  
retail price lists the same; the prices varying on half-pints  
and pints. On the question of freight making a difference, he  
said that there was little price difference on a bottle of  
liquor.

SB-204 - Amends Professional Corporations Act to include pro-  
fessional associations.

Mr. Folsom: The purpose is for professional men to have the  
income tax advantages as corporations providing retirement plans  
for them and their employees. Thirty-nine states have enacted  
this type of law. The law enacted in 1963 has some flaws; feel  
that "professional association" needs to be added. Some pro-  
fessional men feel that there is an ethical thing about incor-  
porations and associations. We asked and received from the State  
Supreme Court a new rule authorizing the use of professional  
association and corporation in their retirement plans, for  
lawyers; doctors have similar permission. The principal benefit  
is to permit professional men and employees to have these  
retirement plans. There are no professional men, that I know  
of, that oppose this plan.

Question regarding the value of membership certificate; stated  
that the Articles of Association would cover this.

Question regarding the liability; wrongdoer not relieved of any  
liability - his personal assets still subject to liability.  
He states this has been done in numerous states.

Tort defined as any wrongdoing under the law rather than breach  
of contract. Tort is negligence.

SB-140 - Implements Nevada racing commissions's multiple racing program by authorizing greyhound racing on tracks holding a minimum of 25 days of horse racing each 90-day period.

Mr. Edwin J. Dodson; Attorney, Las Vegas Downs, Inc.: He stated that he had a conditional race track license and is presently approved to sell stock in the State of Nevada. He further stated that he was happy to join with the Racing Commission as being for this bill. He stated he had investors of \$70,000 and some who would like to invest more. He felt that in southern Nevada would add to the recreation of the area and would bring in additional people.

C. R. Edmonds, Race Track Consultant: He stated that this bill would stop the competition between the horses and the dogs and be a money making project. He stated that racing is becoming one of the top sporting events and feels that dog racing has helped the attendance. He mentioned an article in "Life" and felt that dog racing was the most honest of all racing.

Hershel Trombel: The one phase that has't been touched upon is the background of the people interested in Las Vegas Downs. They are all old-time residents of Nevada and are involved in horses one way or the other, and they all have substantial investments in horses. He stated that there has been a lot of time and study put into this bill. He thought that approximately \$2,500,000 would be spent in the care and feeding of horses.

Dr. Robert Clark, Vet., State Racing Commission: Nevada has been one of the cleanest states in the nation as far as having any blights against the racing industry; and in the event this bill is passed, there will be the same type of supervision and policing.

Bob Hampton, Mayor of Henderson: The city administration, council, and Chamber of Commerce are behind this venture. They have purchased parcel of land and the city will cooperate as far as utilities go. The important thing is the means within the State to properly control and legislate. They are authorized to sell stock in the State of Nevada and wish to be able to give a reasonable return to their stockholders; the stock is sold for cash only and no promotional stock is issued.

For dog racing need a rail installed and a "jimmy pad". The dogs are raced beforehand to class them for races. Each dog is given an examination before the race and locked up so that owners, etc., cannot get to them.

With a facility of \$2,000,000, it will take another \$200,000 to incorporate dogs.

Chuck Munson, Director of Gaming Commission: He said that the gaming industry spends a lot of money advertising and is not anxious to have the people siphoned off to other activities; the gaming industry is not afraid of competition. They feel that this will jeopardize the gaming industry. He pointed out that the voters turned down the lottery and feel that the Greyhounds fall into this same category. He stated that in talking with the leaders in the community, can find no support for dog racing. The people involved have been frank to admit that their wish is to subsidize horse racing; have no quarrel with horse lovers but don't think that horse racing is so desirable that it must be subsidized. Feels that whatever additional revenue will result is unimportant in the total picture. Read from a Denver newspaper editorial where they want to legalize horse racing on Sundays and shorten the distance between tracks and the editorial was not for these.

Charles Evans: The revenue to the State of Colorado was \$2,490,698 from dog racing alone. He left some statistics with members of the committee.

J. R. Hausel: The reasons that he was against dog racing before this time was that the dogs were in competition with the horses. He felt that the more money made, the better the purses, the better horses racing. Stated that he is still in the gaming business and if they were against this bill that he could not be for as he could not be for anything that would jeopardize the gambling industry.

Harry Frost, Reno, State Racing Commissioner: This will be one of the first year round training centers in the U.S.; will have a payroll of around 800 people and will help the smaller counties put over their horse racing. The bill has passed through two committees in the Senate and was passed by the Senate. He stated that he does about 40% of business with the gaming industry in Nevada and that he couldn't support this bill if they were not for without being jeopardized.

Mike Heins, Las Vegas Attorney: Golf is a hobby, but horses are a business. Eighty per cent of the people at the race tracks would be local; felt it was a children's sport as well as adults although, of course, children could not wager. Girl jockeys make the racing a lot more interesting. One per cent of the money goes to the racing commission and in July all but \$10,000 refunded to the agricultural committees.

Pari-mutual betting; possible to place bets to win, place or show; each pool is kept separately and winnings computed on the basis of each pool.

Frank Johnson stated that he is not for or against the bill. He simply explained that under the bill his agency would investigate applicants for licenses as they already have the capability and facilities for doing so.

Frank Johnson further explained that they could recommend revocation of the license by the Racing Commission. Johnson further stated that they would have no authority to stop any operation.

It was pointed out that person had talked with law enforcement officials in states with racing and stated that they have had no unusual problems with dog racing.

The operation of the track is under the jurisdiction of the Racing Commission. Tests are run on the dogs ; they have stewards representing the state and also vets representing the state. They also take pictures of the dog races so that if anything is wrong, it can be picked up.

Chuck Munson: Gave a clarification and stated that it had been said that the state gets 3% on horses and 4% on dogs; On Page 4, lines 42, 43, 44, it shows where this would be 2% and 3% respectively. The benefits that would occur to agriculture are not an iron clad guarantee.

Mr. Edmundson said that as far as advertising went that they would be spending substantial amounts to get started.

Assemblyman Smith: I have had an interest in this bill because of the economy of the city of Henderson and can find nothing morally wrong in either horse or dog racing. It is Nevada men and Nevada money invested in the Nevada economy.

The Western states with horse racing are Arizona, California, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon; with dog racing are Arizona, Colorado, Oregon, South Dakota.

It was brought out that a city in New Mexico increased their population from around 3,500 to around 35,000 during the racing season.

It was brought out that the people on the racing commission are involved in horses but they cannot have an interest in the horse racing; they felt this should be as they would know more about than anyone else, such as doctors on medical boards, etc. Chuck Munson brought out that the Gaming Commission is not made up of gamblers.

A discussion was held regarding the dates set for the races in the different localities and the competition involved.

It was questioned why the stock was only sold to Nevada residents; it is because this is the way it is set up and it would be a violation of the law if sold outside the state.

Discussion followed on the basis of the return to the stockholders and the dividends that would be paid.

It was pointed out that Ely and Elko horse racing was successful because of the help of the people in the community and county

owned land.

Question raised to Mr. Johnson on if the bill passes would he have enough staff, etc. to meet the requirements set forth in the bill. He said that he could do this with his present staff.

It was pointed out that the State audits the Racing Commission records and also controls their moneys.

Bowler excused at 1:10.

AB-101 - Limits power of Nevada Gaming Commission to issue multiple gaming licenses.

Discussion followed. To be discussed further next Tuesday.

Also on the agenda for the next meeting are the eight public service commission bills.

It was decided not to schedule any evening meetings at this time, but that work would be continued through the lunch hour.

Meeting adjourned.