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March 31, 2003

Senator William Raggio, Chairman
Senate Finance Committee
Nevada State Legislature
Legislative Building
Carson City, NV 89701

Re: Senate Bill 3 - Off-track pari-mutual Wagering.

AN ACT relating to gaming; reserving a portion of certain gaming license fees collected from persons licensed to conduct off-track pari-mutual wagering to augment purses for horse racing in certain counties; and providing other matters properly relating thereto.

Chairman Raggio and distinguished members of the Senate Finance Committee:

The Board of County Commissioners have reviewed this bill and have agreed to support the passage of SB 3.

We are not asking for a hand-out, but a hand-up. What we are asking for is seed money, or a possible investment, as opposed to an expense or a cost.

The money now raised for purses is contributed by local businesses and individuals. With the economic downturn those donations are harder to come by, and we haven't been able to generate the amounts of monies to have sizable purses to be competitive in attracting the number and kind of horses we need. When you lose good horses, you lose the numbers needed to run good races; when you lose races, it cuts down the number of days of the race meet; when you cut the number of race days, you lose the added value to the community of room tax, sales tax, fuel tax and other money as it flows through local businesses.

It is my understanding there may have also been a change in the Internal Revenue Service (IRS) regulations regarding horses in the racing game, which has a detrimental effect on those in the business, resulting in less people in the business now than before; therefore, we are competing for fewer good horses with California, Idaho and Wyoming. These race horse owners skip over our meet because the purse money isn't attractive enough to make it worthwhile to stop and spend the time at our meets.

It is my understanding the Fiscal Note in the amount of \$216,762 is the result of multiplying a formula by the \$80.6 million dollars now realized from pari-mutual wagering. You will notice the last line in the explanation of the Fiscal note states, "This amount does not consider any potential increase in revenue that may be collected as a result of the increased purse amounts." This Fiscal Note describes what would be AVAILABLE at the suggested rate, but does not consider that in the first few years of the program not all of the money generated would be needed for the purses. The

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\$216,762 is only a "calculation" NOT the amount of money that would be needed at this time. The portion needed would be money added to local contributions to make up sizeable enough purses to encourage horse and mule owners to attend these meets to compete for the larger amounts - the more horses and mules that attend a meet, the more races, the longer the meet; the more races, the longer the meet, the more money wagered; the more money wagered, the more tax revenue realized by the State from wagering AND other services purchased locally.

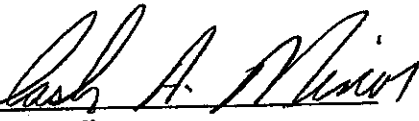
The races aren't until the end of August / first of September, so none of the monies would be needed until then.

Recently the pari-mutual "handle" has been relatively "flat". Increased purses might be a way to raise the amount of "handle".

We would appreciate your careful consideration of SB3 and encourage your support and passage of this bill. Should you have any questions do not hesitate to contact us.

Respectfully submitted,

Mike Nannini, Vice Chairman
Board of Elko County Commissioners

By: 
Cash A. Minor
Chief Financial Officer
Elko County