

# GAMBLING

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MONTANA BOARD OF CRIME CONTROL

## PREFACE

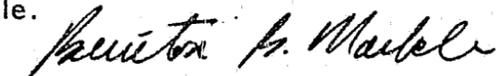
This report on gambling contains three major sections:

1. General discussion and conclusions about gambling, its control, and its impact on the criminal justice system.
2. Research findings concerning the effects of gambling on law enforcement in Nevada.
3. The Gallup Organization, Inc. public opinion poll of Montana residents concerning legalization of gambling in Montana.

Sections one and two were researched and written by the Board of Crime Control staff, and officially accepted by the Board on December 14, 1973. The public opinion poll was presented to and accepted by the Board on October 25, 1973.

This report is NOT a comprehensive socio-economic study of gambling. The Board of Crime Control is primarily concerned with the impact legalized gambling will have upon law enforcement and the criminal justice system at state and local levels.

Both the staff and additional research material on file at the Board of Crime Control is available upon request and within the ability of the Board to make the same available.



BRINTON B. MARKLE  
EXECUTIVE DIRECTOR  
BOARD OF CRIME CONTROL

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**SECTION 1:**

**REPORT AND SUGGESTIONS  
CONCERNING LEGISLATION  
OF GAMBLING IN MONTANA**

TO: The Board of Crime Control  
FROM: Brinton B. Markle, Executive Director  
SUBJECT: REPORT AND SUGGESTIONS CONCERNING LEGISLATION  
OF GAMBLING IN MONTANA

The subject of gambling, its impact and influence upon the criminal justice system of Montana, is an extremely frustrating and illusive topic to pursue.

An attempt to write down findings and recommendations concerning gambling is like attempting to describe color to a blind man. No common reference point exists.

In addition to this feeling of frustration, one is astounded at the amount that has been written about gambling. Its legal, social, moral and religious ramifications have been debated throughout the recorded history of modern civilization.

Governments all over the world have in turn outlawed it; legalized it; banned some forms of it; taxed it; licensed it; made it a government-operated monopoly. No scheme for legalized gambling has enjoyed more than temporary success.

The author of *Gambling in America* described this historical cycle:

- A. An environment of semi-open gambling allowing more and more people to bet and lose. This is seen as a threat to society;
- B. The outlawing by government of all forms of gambling;

- C. A realization that anti-gambling laws cannot be enforced and that organized crime provides gambling along with its incumbent political corruption to the people;
- D. An attempt to legalize some forms of gambling--a government compromise usually found to be unworkable;
- E. An attempt to legalize and control all forms of gambling.<sup>1</sup>

The U.S. (and Montana) seems to have been in stage C during the 1920-30's when many states legalized race track betting. Today, we have advanced to stage D.

The people of Montana have voted in favor of removing gambling restrictions from our Constitution and leaving gambling determinations to the Montana legislature.

The legislature has responded to this responsibility by establishing an interim committee which will report and recommend legislation to the 1974 session of the legislature.

During 1973, the Board of Crime Control ordered a statewide poll of public opinion to be conducted by the Gallup Organization, Inc. A final report and analysis was submitted to the Board on October 19, 1973.

Although a great deal of information concerning attitudes toward legalized gambling is contained in the Gallup survey and summarized in Section III, for the purposes of this report, four major

<sup>1</sup>. Paraphrased from Herbert L. Marx, *Gambling in America*, (Wilson, 1972).

findings have been extracted.

1. A majority (55%) of those polled favor the legalization of some forms of gambling.
2. More than 40 per cent say the reason they favor legalizing gambling is because it would bring additional revenue (and tax relief) to the state.
3. A vast majority say they want strict licensing of and control over legalized gambling operations-- 55 per cent indicating a new state agency should be created; 36 per cent indicating an existing state agency could handle licensing and control.
4. Throughout the survey there is a strong indication that people are concerned about the problems which may result from legalized gambling operations--increased crime (31% collectively); undesirable people (14%); too many people (16%).

Restated, it seems fair to say that most Montanans want some gambling legalized because it will create new revenue for the state, but they want it to be strictly licensed and controlled to avoid or reduce any abuses which may result.

It will be difficult, if not impossible, for the legislature to consider the many facets and consequences of legalized gambling. Hope-

fully, discussion will not bog down in a morality debate. Any attempt by our legislature to determine the *desirability* of a gambling law on the basis of whether gambling is moral or immoral is of no greater legislative usefulness than to determine the *desirability* of a traffic law on the moral aspects of driving through a stop sign.

It does seem important, however, for the legislature to determine the primary purpose for legalizing gambling. For instance:

--Is gambling to raise new revenue for state and local governments? If so, how much?

--Is it to compete with organized crime and its influences?

--Is it because the state cannot enforce its existing anti-gambling laws and, therefore, wishes to "de-criminalize" an activity that "everyone does anyway"?

--Is it simply because the people of the state have indicated they want some kinds of gambling?

Once the purpose is chosen, the legislature can concentrate on establishing basic statutory mechanisms needed to accomplish its primary purpose and objective.

The people have indicated that gambling would be good for the state because it will bring in new revenue. Whether it will depends

on many factors, not all of which can be controlled by the legislature.

The late Will Rogers said: "There is a lot of difference in pioneering for gold and pioneering for spinach."

Gambling provides gold--for someone--and Montana is about to pioneer for some of it.

Clearly, we must do all we can, if we pioneer for gambling gold, to minimize potential harms and maximize whatever benefits may result.

Intelligently handled by a responsible government, gambling might provide constructive contributions to the general welfare. It is quite easy to pinpoint harms which may result and quite difficult to pinpoint the benefits.

Gambling appears to be a fundamental human activity.<sup>2</sup>

Furthermore, it does fulfill a definite recreational need. The popularity of horse races and private poker games strongly supports the recreational and entertainment attraction of gambling. Gambling also satisfies competitive desires in many people.

It is not without merit to think of gambling as a "WANT SATISFACTION."<sup>3</sup> Who is there that would not want to be left a fortune? Why should we deny ourselves a chance for a handful of fairy gold? The "want satisfaction" aspects of gambling are easily scoffed at, but

2. David M. Allen, *The Nature of Gambling* (Coward-McMann, 1952).

3. Rufus King, *Gambling & Organized Crime* (Public Affairs Press, 1969).

such wishes and desires are tantalizing daydreams and hopes for a great majority of people in America. That statement holds true as much for gambling and riches as it does for sex. Madison Avenue has known that for a long time.

A speculation in regard to want satisfaction is mentioned by Rufus King, in his book, *Gambling and Organized Crime*:

The man who creates his wealth directly by growing it from the soil or taking a part in simple production processes, is less likely to be captured by the gambling lure of something-for-nothing; it is the wage-earner, lost in the complexities of mass production (and competitive affluence) whose wealth is merely a pile of chips pushed at him on payday, who becomes a compulsive gambler.<sup>4</sup>

The Gallup opinion poll in Montana seems to reflect this difference between urban/industrial and rural/agricultural attitudes toward gambling.

Previously, I stated that "gambling is gold". Although I do not intend to imply that Montana will "get rich quick" by legalizing gambling, the amounts of money associated with gambling nationally stagger one's imagination.

Best estimates are that about \$8 billion was legally wagered at horse and dog tracks in the United States in 1971, according to the author of *Scarne's Complete Guide to Gambling*. This amount has increased from \$1.5 billion in 1950 and \$3.3 billion in 1960.

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<sup>4</sup>. *ibid.*

Contrasted with this huge, national "handle", Montana's Board of Horse Racing reported a 1973 gross track handle of \$3.5 million. This averages to about \$4,500 bet per race.

Montana doesn't tax horse racing.

Legal track wagering in the United States is small compared to estimates of illegal betting (on numbers, sports, policy, horses, etc.). No authority, including subcommittees of the United States Congress, estimates the gross, national, illegal handle at less than \$20 billion; and a few estimate that more than \$50 billion is wagered illegally every year in this country.

Illegal gambling is provided by the underworld, the gambler-gangster, but as Scarne says: "The gambling bosses may know each other and may do business together, but there is no single group or syndicate that controls gambling throughout the country."

It is controlled, Scarne says, by local, underworld people that exist in every city and county. History shows that criminals are attracted to gambling like moths to a light. All forms of gambling hold this attraction, perhaps because all forms of gambling can be rigged in favor of the operator. The gambler/criminal will attempt to operate illegally even when games are legalized.

Games such as bingo, considered by most to be "soft" gambling, also have been invaded by criminals and twisted to their benefit at the expense of the players.

In *Gambling and Organized Crime*, Rufus King cites the corrup-

tion the New York Bingo Control Inquiry [Moreland Commission] exposed during investigations in 1962:

To illustrate with figures (from the Moreland Commission), in the period 1959-61 one of the licensed operations, Tilder Hall in Brooklyn, ran bingo games for fourteen qualified organizations, took in \$2,427,749, raised for its sponsors \$489,500, and paid its promoters a net profit of \$440,055. In the same period a smaller operation in Syracuse took a net profit of \$59,850 in raising for its five sponsoring organizations the sum of \$31,478. And elsewhere all over the state the picture was the same.<sup>5</sup>

In 1965, New York licensed about 1400 bingo organizations, and counted about 17,000,000 players.

The popularity of bingo stems in part from its simplicity, excitement, speed and inexpensiveness. About 30 games can be played a night (2½ hours) and each game produces one or more winners. Most players will not invest more than \$5 during the evening. Most bingo operators return as prizes about 50 per cent of their gross income.

Bingo profits depend largely on people--the more people per round the more money the operator will make. For these reasons, bingo operators quite likely will try to bend laws which limit their game's attractiveness. Limited jackpots (such as \$200 per round) limit the number of players attracted. Because of this, bingo operators may try to squeeze more profit from limited proceeds by fixing the game in their favor.

<sup>5</sup>. *ibid*, pp 144-46.

Even so, it seems unlikely that Montana will experience the extent of cheating and crookedness which accompanied legalized bingo in New York, New Jersey and Florida. Montanans are too few and too widespread to support extensive organized criminal bingo operations.

Bingo games conducted by semi-private, charitable and religious organizations are mostly honest, recreational and support beneficial purposes. As New York discovered, however, it is a mistake to permit a privately-owned bingo hall to conduct games for other sponsors, such as churches, civic groups, etc. Too often, unfair proportions of the proceeds are taken by the bingo hall operator; not the sponsor or the player.

Bingo licenses will not raise much new revenue for Montana.

Quite possibly, local law enforcement would experience a difficult, and perhaps impossible, job of enforcing the honesty and legality of bingo operations. Local political pressure and corruption could dilute the effectiveness of enforcement.

Keno and Beano, close cousins of bingo, also seem to fit within the legal description of a bingo game as now proposed in Montana.

Raffles, a form of lottery, are too varied to be dealt with here. Law-abiding citizens will license their games and will probably conduct them honestly. Since investigation of privately licensed raffles is nearly impossible, however, it is certain that a fair amount of fraud will occur whether a license is obtained or not.

Since raffles cannot be controlled effectively by government,

players should be aware of CAVEAT EMPTOR: "Let the buyer beware."

Buy raffle tickets from people you know and trust.

Punchboards and pull tabs should NOT be legalized. Licensing such gambling devices amounts to little more than granting a license to steal. No rules or regulations can be enforced to control or discourage fraudulent manufacture and use of punchboards.

Although the state could guarantee some income by controlling the distribution of punchboards, by far the biggest winner will be the punchboard operators; by far the biggest loser will be the public. Players won't stand a chance.

Even an honestly run punchboard is a sucker play. Less than 50 per cent of the take is paid out as cash prizes. On merchandise boards, the advertised value of the merchandise offered is usually less than 50 per cent of its true value.

## CONCLUSIONS

1. Any government which legalizes public gambling (and there have been many throughout history), but fails to recognize its harmful capacities, and to control the games, the operators and the players, is irresponsible.
2. Public gambling operators have never shown a desire to govern themselves or their operations for the benefit of the public. Therefore, sponsoring governments must exercise controls.
3. Investigation and licensing of gambling operators is important, but *licensing alone will not provide the controls required*. This type of non-involved, flimsy, off-handed governmental involvement has not worked in Nevada or anyplace else. It will not work here:
  - (a) The primary usefulness of licensing is that it provides a procedure for preliminary investigation of the qualifications and desirability of applicants.
  - (b) Its secondary purpose is to raise revenue.
  - (c) These purposes conflict: High standards and qualifications mean less licenses will be issued and less revenue received; and vice versa.

4. A ubiquitous licensing policy is the antipathy of exercising effective control over gambling. If thousands of licenses are issued for as many different gambling games and people and places, state and local authorities will have very little chance to monitor and control gambling activities. In such a situation, law enforcement simply will not have the time, manpower or money required to enforce the law (even if it is willing to do so).
5. License fees collected will not raise significant new revenue. Meaningful sums of new money for government will only result if gambling profits are *taxed*.
6. Profitable gambling requires a lot of people doing a lot of gambling; and, therefore, Montana's gambling experiment, justified primarily for the purpose of raising new revenue for government, must be tied to tourism. Increased tourism is slow to develop (perhaps impossible during the present energy and gasoline shortage), and it causes a whole set of new problems; both civil and criminal in nature. (Any impact of people requires adjustments to our systems, as we have learned in both the ABM and coal impact areas of the state.)

MINI-SUMMARY: The Gallup poll indicated that Montana citizens are about evenly split on whether gambling would be "good" or "bad" for the state, but a majority favored gambling if it raises

new revenue, and if the problems and disruptions resulting from the gambling activity are controlled.

7. If these gambling goals are to be reached, Montana must first create laws which will support and encourage a stable gambling industry. That industry must be profitable so it can be taxed. That industry must be controlled so it is not harmful.
8. Gambling can be controlled satisfactorily, but to do so requires a tough-minded government willing to exercise its sanctions over an industry so closely controlled that its every activity is visible and above-board.
9. Any attempt to control gambling by spreading enforcement and tax collection powers among existing governmental departments, is doomed to failure.
10. A new, single-purpose agency should be created to supervise the gaming industry which is totally responsible to the governor, the legislature and the people. It should be modeled after the Nevada system (discussed in Section 2, pages 24 through 32), but begun on a much smaller scale.
11. Public gambling should be confined to gambling "parlors." The number of parlors, where they are located, the types of games allowed, should be limited. Hundreds of other limitations (such

as hours of operation, maximum stakes allowed, age of players, etc.) also should be considered and applied. The licensing of gaming parlors should be commensurate with the state's ability to monitor and control them. Paternalistic treatment is necessary.

Such treatment would allow for the growth of a gambling industry in Montana which could be taxed and controlled. It would prevent the harms resulting from too much, too soon, with too little control. It could be geared to demand, to tourism and to recreation. Time factors must be available to prevent community disruption, and a "local option" provision should be incorporated in the law.

12. Control over so-called "private" gambling and over bingo and raffles should be treated separately.
13. Montana's gambling enterprise, if properly controlled, will cost money rather than make money for the state during its first 3-5 years. It will be expensive to set up effective state mechanisms *before* public gambling is permitted and *before* revenue of any kind is received. Until gambling becomes a large and profitable business, the state can expect to operate at an overall loss in this area. It is mandatory, however, that Montana create and implement its control, taxing, and licensing and inspection capabilities *before* any gambling of any kind is

unleashed. To do so later, after runaway gambling has created a demanding need for controls, will be twice as expensive and half as effective.

SPECULATION CONCERNING LICENSE FEES

An attempt is made here to estimate at MAXIMUM the amount of license fee revenue which would be collected during the first few years of gambling as presently proposed. The numbers chosen are totally arbitrary, and the reader should adjust upwards or downwards as he feels appropriate. Registered voters in November, 1972, were 386,867.

LICENSE REVENUE

1.	Manufacturers of gambling devices not otherwise licensed (\$500)	$\$500 \times 10 = \$5,000$	\$ 5,000.00
2.	State Lottery: Return 45% of revenue collected: If 386,867 purchased \$4 in tickets:  Since a payback request for \$350,000 is proposed to start lottery:	$386,867 \times 4 \times 55\% = \$851,107.40$	851,107.40  <u>-350,000.00</u> \$ 501,107.40
3.	CARD GAMES: \$250 general license plus \$100 and \$10 table licenses. If 700 places received general licenses: If each place has 1 house table: If each place has 2 rented tables:	$700 \times 250 = \$175,000$ $700 \times 100 = \$ 70,000$ $1400 \times 10 = \$ 14,000$ \$259,000	\$ 259,000.00
4.	PUNCHBOARDS \$500 license to manufacture \$250 license to display boards 10% tax on total worth: If 50,000 boards were sold per year and each had 1,000 punches:	$2 \times 500 = 1,000$ $700 \times 250 = 175,000$  5¢: $1,000 \times .05 \times 30,000 \times 10\% = \$150,000$ 10¢: $1,000 \times .10 \times 10,000 \times 10\% = 100,000$ 25¢: $1,000 \times .25 \times 7,000 \times 10\% = 175,000$ 50¢: $1,000 \times .50 \times 3,000 \times 10\% = 150,000$ TOTAL \$575,000	\$ 575,000.00

LICENSE REVENUE (Continued)

5.	BINGO & RAFFLES Annual licenses are \$250 and \$50 for each; temporary licenses are \$50 and \$10 each. If a combination of all bingo and raffle licenses issued to residents of each county totaled \$1,500:	$\$1,500 \times 56 = \$84,000.00$	\$ 84,000.00
		GRAND TOTAL--All License & Tax Revenue	\$ 1,424,107.40

Proposed bills would split gambling fees: 50% to state; 25% to counties; and, 25% to cities:

STATE SHARE (50%) =	\$ 712,053.70
COUNTYS' SHARE (25%) =	\$ 356,026.85
CITY'S SHARE (25%) =	\$ 356,026.85

Please remember that the figures used for these calculations are purely arbitrary. In the writer's opinion, the figures chosen represent maximum activity during at least the first year of gambling.

**SECTION II:**  
**THE NEVADA EXPERIENCE**

## INTRODUCTION

The following section is an integrated report of the findings of Board of Crime Control staff members who conducted on-site inspections of Nevada gambling operations to gauge the industry's impact on the criminal justice system and the general society.

Two teams visited Nevada in September and interviewed officials of state and local regulatory agencies, social service agencies and law enforcement agencies, as well as gambling casino managers and personnel.

Interviews were arranged through the cooperation of the Nevada Commission on Crime, Delinquency and Corrections.

The first team, concentrating on government and related services, visited the following agencies:

Attorney General's Office

Nevada Tax Commission

Department of Employment Security

Department of Human Health Resources

Department of Economic Development

Clark County Juvenile Court Services

Mayor of Las Vegas

Washoe County Juvenile Probation Office

Washoe County Manager

Mayor of Reno

Nevada State Planning Agency

The second team focused on law enforcement problems. Interviews were conducted with officers of the Sparks Police Department, Reno Police Department, Washoe County Sheriff's Office, and the Carson City Sheriff's Department, concerning the following matters:

Ratio of police personnel to population

Ratio of sworn-officers to population

Workload characteristics

Criminal activity

Departmental internal security

Intelligence unit activity (Organized Crime Unit)

Personnel problem areas

Juvenile delinquency characteristics

Community stability

Inter-agency cooperation

This team also interviewed officials of the Nevada Gaming Board and owners and personnel of five casinos: the Cal-Nevada Club, The Nugget; Carson City: Harrah's; Reno and Lake Tahoe: and, The Nugget; Sparks.

The staff found that the gambling industry has influenced almost every phase of Nevada life. Round the clock activity, and an annual influx of 28 million tourists affect every part of state and local government and the criminal justice system.

- State government has created complex machinery to license, regulate and investigate gambling operations to minimize corruption

and enforce tax collection.

- Cities and counties in which gambling thrives need carefully planned zoning, traffic control and 24-hour availability of services such as law enforcement, medical care and fire protection.

- The criminal justice system is particularly affected by the mobility of the Nevada population and the tourism and entertainment industries that accompany legalized gambling.

The chapters of this report discuss gambling's effect on government, the criminal justice system and specific social problems.

Many of the interviews were granted on the basis of anonymity for those interviewed. Therefore, the report and conclusions are presented as research findings of the Board of Crime Control staff.

## 1, GROWTH OF GAMBLING

Although gambling has been legal in Nevada since 1931, it did not become an important industry until the late 1940's. Originally, state government exercised few controls. Administration of the gaming laws was placed in the hands of the State Tax Commission which had little authority to regulate the industry or to enforce tax collection.

Large casinos and wide open gambling, now associated with Nevada, began after World War II. At that time, organized crime moved into Nevada for at least two reasons. First, legalized gambling operating without strong state controls offered an excellent opportunity to "wash" illegally gained money. Second, the proximity to rapidly developing southern California offered organized crime an excellent opportunity for profit and expansion.

In 1954, Nevada strengthened state control by setting up the two-tiered enforcement and investigative agency described in the following chapter. The impetus for developing strong state controls came from a need to collect gambling taxes and a fear of federal intervention due to the infiltration of organized crime.

In the early 1950's, both the Department of Justice and the Kefauver Senate Subcommittee conducted investigations into Nevada's gaming industry and associated interstate commerce violations. Nevada realized that if it did not control the industry, the federal government would intervene.

Today, gambling is Nevada's major industry employing about one-third of the total work force, according to the employment security division.

Gambling is a seasonal industry totally dependent on tourism. Statistics of the employment security division show that gambling employment peaks in July or August and declines to the low point in January or February. From August to January there is a thirty-three per cent reduction in gambling related employment.

The distribution of the industry is also dependent on the tourist flow. Las Vegas is close to Los Angeles and draws heavily from the southern California population. Reno and Lake Tahoe, located on Interstate 80 the main road to San Francisco, draw tourists from the Bay area.

Although Nevada's resident population is small, ranking 47th among the states, its resident growth has increased with the expansion of the gaming and tourist industries. The 1970 population of Nevada was 488,738 as compared to 160,083 in 1950.

Reno's population at the last census was 80,000, nearly double the 1960 census count.

## 2. TAXES

The Nevada state government received \$58.5 million taxes from gaming in 1972, according to figures used by Nevada Attorney General List in his address to the National Conference on Public Gaming. The \$58.5 million is about eight per cent of the gross taxable revenue of \$731 million and contrasts sharply with the \$1.5 million realized in 1951.

Local units of government received \$9.3 million of the 1972 revenue.

Nevada also has a 2 per cent sales tax and a real and personal property tax which yielded \$85.6 million in 1971. An additional \$6.8 million was realized from the sale of liquor.

There is no personal or corporate income state tax.

Revenue from gambling, raised primarily from some 28 million tourists, represents about 36 per cent of Nevada's total annual revenue.

### 3. STATE GAMBLING REGULATION

*Nevada's gambling laws are based on the assumption that gambling is a privilege and not a right.* Because of this premise, state government has been able to create administrative bodies with power to regulate and control gambling without fear of serious court challenge. The Nevada Gaming Control Act provides for three administrative bodies to regulate the industry. These are the Nevada Gaming Commission, State Gaming Control Board and the Gaming Policy Committee.

#### A. THE NEVADA GAMING COMMISSION

The Gaming Commission is a quasi-judicial board responsible for licensing gambling operators and activities. The Commission is composed of five lay persons appointed by the Governor. All are part-time and receive only nominal compensation. The Commission has no staff and must rely on the Gaming Control Board for supportive functions. The Commission receives recommendations from the Board, but is not required to follow them. It can override an adverse recommendation of the Control Board by unanimous vote or deny an application recommended by the Board on a simple majority vote. The Commission is empowered to take disciplinary action against licensees including revoking or suspending licenses and assessing fines for violations. It reviews the actions of the Gaming Control Board and is empowered to hold investigative hearings.

#### B. THE GAMING CONTROL BOARD

The Nevada Gaming Control Board is the key agency for regulation and control of the gambling industry. The Board has three full-time members appointed by the Governor to serve four years with overlapping terms. Board members must meet certain qualifications. One member must be experienced in public administration, one in law enforcement and one must have financial or gambling background. The Board is responsible for enforcement and investigation of gambling laws.

The Board's staff is organized into three major divisions: enforcement; investigation; and fiscal matters; including auditing, taxing and licensing. Each division is well staffed with qualified personnel including experienced law enforcement people and certified public accountants.

The Board is responsible for investigating all applicants for licensing, and the cost of such investigation is born by the applicant whether the application is approved or not. After licensing, the Board conducts continuous investigations to insure proper accounting and operations.

Russ McDonald, the Washoe County Manager and the person who drafted the Nevada Gaming Act, reported that the two-tiered organization of controls has been successful because of relative independence of each agency. *McDonald was emphatic in stating that Montana should not get into gaming at any level unless it has*

a strong, independent state regulatory agency. He added that to make gambling successful in Montana, the state must attract good people who know the industry and must be prepared to pay them what they are worth.

An officer of the Carson City Sheriff's Department said that the Gaming Control Board is the critical factor in operating "clean" gambling, and that the Board does the bulk of enforcement work and assumes responsibility for the industry.

Both law enforcement personnel and gambling casino security personnel reported good relations with the staff of the Gaming Control Board. Several mentioned that information obtained in licensing and subsequent investigations by the Board was available and often useful to local law enforcement personnel.

#### 4. STATUTORY LAW

Nevada has created the following statutes in an attempt to control gambling.

The state's policy is set out in NRS 463.130: Those involved in gaming shall be licensed and controlled so as to protect the public health and welfare of the inhabitants of the state and also to preserve the competitive economy and the policies of free competition of the State of Nevada. Any license issued for gaming is deemed a revocable privilege and no holder of such a license is deemed to have acquired any vested rights regarding it.

Section 463.140 sets out the powers and duties of the State Gaming Control Board and the Nevada Gaming Commission. The principal duty of the Board is to investigate the qualifications of each applicant for a license and to continue to observe the conduct of all licensees. In this respect, the Board has full and absolute power to *recommend* the denial of any application for a license. The Commission has full and absolute power to deny any application for a license or to limit, condition, restrict, revoke or suspend any license for any cause it deems reasonable.

Under Section 463.140 the Board and the Commission and their respective staffs also have the authority:

- a. to inspect and examine all premises on which gaming is conducted;
- b. to inspect all equipment and supplies on such premises;
- c. to summarily seize and remove from such premises and impound any equipment or supplies for the purpose of examination and inspection;
- d. to demand access to and inspect, examine and audit all papers, books and records of applicants and licensees, respecting the gross income produced by any gaming business.

Section 463.150 gives the Gaming Commission power to adopt regulations consistent with the policy and purpose of the Nevada Gaming Control Act. Regulations which may be adopted include:

1. prescribing the information to be furnished by any applicant or licensee regarding his background;
2. requiring the fingerprinting of an applicant or licensee or an employee of a licensee;
3. requiring any applicant to pay all or any part of the fees and costs of investigation of such applicant as may be determined by the Board;
4. defining and limiting the area and games and devices permitted, and the method of operation of such games and devices;
5. requiring any applicant or licensee to waive any privilege with respect to any testimony at any hearing of the Board of Commission, except any privilege afforded by the Constitution of the United States or of Nevada.

Under Section 463.151 the Commission may by regulation, provide for the establishment of a list of persons who are to be excluded or ejected from any licensed gaming establishment.

Section 463.157 provides that the Commission shall, by regulation,

1. prescribe minimum procedures for adoption by each non-restricted licensee to exercise effective control over its internal fiscal affairs;
2. provide for the adoption and use of internal audits in the case of each non-restricted licensee whose operation equals or exceeds a specified size.

Section 463.158 states that the Commission shall, by regulation, require periodic financial reports from each non-restricted licensee and shall specify the forms and procedures to be followed in making these reports.

Section 463.159 provides that the Commission shall require audits of the financial statements of all non-restricted licensees with an annual gross revenue of one million dollars or more. These audits shall be made at least once a year and whenever the ownership of a non-restricted license changes. Under this section the Commission may also require audits of non-restricted licensees with an annual gross revenue of less than one million dollars and whenever the ownership of such a license changes.

Section 463.170 establishes qualifications for a state gaming license. Any person who the Commission shall determine is suitable may be issued a state gaming license. The burden of proving his qualifications is at all times on the applicant or the licensee. Under this section, no limited partnership, business trust or other associ-

ation of quasi-corporate character is eligible to receive or hold any license unless all the persons having any direct or indirect interest in the association are individually qualified to be licensed. The Commission may also, by regulation, limit the number of persons who may be financially interested in any corporation and establish such qualifications for licensees as they--in their uncontrolled discretion--may deem to be in the public interest.

Section 463.200 sets out the requirements for an application for a state license. Required information includes complete information and details of the applicants antecedents, habits, character, criminal record, business activities, financial affairs and business associates covering at least a ten year period immediately preceding the date of filing.

Section 463.335 requires that all gaming employees must hold work permits. The legislature has found it necessary for the Board to keep itself informed of the identity, prior activities and present location of all gaming employees in the State of Nevada and to maintain confidential records of such information.

## 5. REGULATIONS

Regulation 3 of the Nevada Gaming Commission and the State Gaming Control Board sets out the qualifications for the licensing of gaming establishments in Nevada. Regulation 3.010 provides the Board may recommend an application for a state gaming license be denied and that the Commission may deny such an application if the Board or the Commission deems that the place or location for which the license is sought is unsuitable for the conduct of gaming operations. One reason a location may be deemed unsuitable is the premises are judged difficult to police.

Regulation 3.020 provides the Commission or the Board may deem the premises are unsuitable for conducting gaming operations by reason of ownership of any interest whatsoever in such premises by a person who is unqualified or disqualified to hold a gaming license; regardless of the qualifications of the person who seeks or holds a license to operate gaming in such premises.

Regulation 3.050 provides no license will be issued until satisfactory evidence is presented that adequate financing is available to pay all current obligations, and to provide adequate working capital.

Regulation 4 sets out the licensing procedures to be followed in Nevada. Regulation 4.020 states that an applicant may claim any privilege afforded by the Constitution of the United States or the State of Nevada in refusing to answer questions by the Board and

the Commission. However, a claim of privilege with respect to any testimony or evidence to an application may constitute sufficient grounds for denial of the application.

Regulations 4.040, 4.050 and 4.090 concern investigative fees accompanying an application for a gaming license. When application is made for a restricted license, there must be two fingerprint cards for each individual, partner or corporate member and the application must be accompanied by a \$50 investigative fee. For a non-restricted license application, there must be two fingerprint cards for each individual, partner or corporate member and a \$250 bank or cashiers check for investigative fees in the cases of an individual applicant or a \$500 bank or cashiers check for investigative fees for all other non-restricted business entity applications. Besides the fees which must accompany the application, the Board may require payment of such additional investigative fees as it may consider appropriate under the circumstances. (Some investigations have cost the applicant as much as \$59,000.) The Board may also request payment of the supplementary investigative fees in advance as a condition precedent to beginning the investigation. Under these regulations the Board will not take any final action with respect to any application until all investigative fees have been paid in full.

Under the provisions of regulation 4.120, the Board or the Commission may summon any person named in an application to appear and testify before it, or its agents, or at any time and place it may

designate.

Regulation 5 pertains to the operation of gaming establishments.

Regulation 5.01 sets out the grounds for disciplinary action which include:

1. failure to exercise discretion and sound judgement to prevent incidents which might reflect on the repute of the State of Nevada and act as a detriment to the development of the gaming industry;
2. permitting persons who are visibly intoxicated to participate in gaming activities;
3. complimentary service of intoxicating beverages, in casino areas, to persons who are visibly intoxicated;
4. catering to, assisting and employing or associating with, either socially or in business affairs, persons of notorious or unsavory reputation or who have extensive police records; [As you may recall, this section was exercised against singer Frank Sinatra a few years ago.]
5. employing in any capacity in or about any licensed establishment, which includes hotels, restaurants, and bar facilities as well as the casino itself, any person who has been denied a state gaming license on the grounds of unsuitability; and
6. employing in any gaming operation any person whom the Commission or any court has found guilty of cheating.

Regulation 5.012 requires payoff schedules or award cards applicable to every licensed game or slot machine be displayed at all times in a conspicuous place.

Regulation 5.013 prohibits any person who owns any interest whatsoever in, or to, a non-restricted license gaming operation from playing or being permitted to play at any gaming table in those establishments in which he has an interest.

Regulation 5.100 provides no person may be employed in a non-restricted gaming operation unless he has a valid registration card. To obtain a registration card, the applicant must furnish to the Board his fingerprints in duplicate and his photograph in triplicate. The photograph must be satisfactory to the Board and have been taken not earlier than three months before the date of filing.

Regulation 6 sets out detailed accounting procedures which must be followed by the gaming establishments. This regulation also provides for an audit division within the State Gaming Control Board to conduct periodic audits of the books and records of non-restricted licensees.

The statutes referred to are complete through the 56th Session of the Nevada Legislature in 1971. The regulations are current as of January 1, 1973.

Although this is a brief summary of the major laws and regulations pertaining to gaming in Nevada, it does indicate that Nevada has passed extensive legislation in the gaming areas and that these laws are supplemented by comprehensive regulations. It is evident that Nevada has tried to establish strong state controls in relatively independent state agencies.

## 6. EFFECTS ON THE CRIMINAL JUSTICE SYSTEM

### A. LOCAL LAW ENFORCEMENT

The Montana Board of Crime Control investigative staff interviewed lawmen from the Sparks Police Department, the Reno Police Department, the Washoe County Sheriff's Office—in which Lake Tahoe is located—and the Carson City Sheriff's Department.

Officers from these agencies all expressed concern about robberies, burglaries, narcotics and drugs and juvenile delinquency offenses related to what one officer termed "an unstable environment." This officer, a 28 year veteran of the Reno Police Force, said the greatest impact of legalized gambling on a law enforcement agency is the 24-hour operation of casinos which requires three fully staffed law enforcement shifts.

"If Montana goes for this 24-hour operation, you'll have to double or triple your police agency manpower, and you can expect your crime rate to increase ten fold," he said. He identified prostitution and the accompanying crimes of narcotics, pimping, mugging, extortion, etc., as major law enforcement problems. Statewide Nevada has the largest police per citizen ratio in the country. Las Vegas has a higher manpower ratio than New York, Chicago and Detroit.

He added that the Reno Police Department presently has several well-known organized crime members—from the old Murder Incorporated days—under constant surveillance in the Reno area.

Nationwide pressure from federal, state and local law enforcement has caused known organized crime figures to scatter, and they are showing up in Nevada again.

He said that in addition to problems created by fugitives from other areas, employees also give in to temptations created by the atmosphere of gambling. Seventy per cent of the casino employees draw down advances on their salary to insure not being fired from the job. Many gamble in the casino where they are employed or in other casinos. They are faced not only with the temptation to steal money, but with the easy accessibility of alcohol, drugs and prostitutes.

This same veteran noted that pawn shops are a large problem for law enforcement in that many gambling customers make false police reports of being robbed or burglarized, when in fact they have lost their money gambling and pawned their belongings for more cash.

Sparks police officers also identified burglary and robbery as major crime problems and agreed many such crimes are traced to first time offenders who have lost their money gambling. Reported inventory losses in the warehousing areas of the city are partly due to burglary, but Sparks police officers attributed much of the loss to employee theft. Sparks has experienced a dramatic increase in vice offenses such as narcotics and dangerous drugs over the past five years. Police attributed the drug traffic to an influx of refugees from the San Francisco drug scene. Officers said that much of the

drug supply is shipped in from Mexico and other foreign points to be distributed by organized crime figures.

Prostitution was considered a minor problem in Sparks because houses of prostitution operate in neighboring Story County where the activity is "not illegal." The problem of street walkers and call girls, is not considered to be of primary importance.

Officers of the Washoe County Sheriff's Office associated their problems with tourism and not directly with gambling. Again, fugitives were named as a source of considerable police activity. Burglary and larceny in the Lake Tahoe area were considered major problems; however, narcotics and prostitution are "no worse than anywhere else in the country," according to the Washoe County Sheriff's Office.

An official of the Carson City Sheriff's Department—which has jurisdiction of both Carson City and Carson County—said that legalized gambling is beneficial to law enforcement and aides in the curtailment of crime. Officials said the Gaming Control Board is the critical factor in operating "clean" gambling and that the Board has the bulk of the work and the responsibility. The biggest problems for Carson City law enforcement are bad checks, gambling cheats or "cross-roads", and burglary.

Officials said that organized crime is always a threat and that there is organized crime money in Nevada.

Carson City deputies said the drug trade is closely associated

with the entertainment people employed by the gambling industry. These officials also favored 24-hour gambling rather than limited hours. The reason given was that too many people drink and gamble heavily when faced with a closing deadline. Some Carson City officials said that prostitution becomes a problem only when it is not completely legalized.

One common problem accompanying the operation of legalized gambling is the corruption of law enforcement officers receiving "gratuities." The past chief of police of the Reno Department was removed from office by a grand jury for accepting a television and some furniture from casino operators. Casino operators make loans to law enforcement officers and some officers moonlight in the casinos. The Washoe County Sheriff's Office claimed that they have very little personnel problems due to the fact that they are permitted to accept gratuities if there is no conflict with performance of their official duties.

What is considered conflict, however, was not clearly defined.

The mayor of Reno conceded that moonlighting in casinos may present problems of divided loyalties. The mayor said this is best avoided by prohibiting "moonlighting" in the industry before legalizing gambling.

B. INTERNAL SECURITY OF THE GAMBLING INDUSTRY

The major internal security problem directly associated with

casino operations is the constant presence of "cross-rovers" or "cheaters". Operating alone, or with employees of the casino, cross-rovers cheat both slot machines and table games.

The most prevalent, persistent cross-roader is the slot machine cheat who uses magnets and drills to bilk small casinos of large sums of money.

Other gaming cheats work in collusion with casino employees to make false jackpots or blackjack pay-offs. Some law enforcement officials mentioned evidence of schools for cross-rovers to train people in the latest techniques of cheating slot machines and gaming tables.

To avoid collusion all employees of the gaming industry must obtain work permits from the local police agency which fingerprints and checks the criminal record of the applicant. The process usually requires 30 days to complete and some applicants with criminal histories count on this delay to work a few weeks and then move on before a past police record is uncovered. Law enforcement officials emphasized that a law requiring work permit record checks must be in effect *prior* to Montana gambling operation. Their comment was that if this is not the case "you'll be stolen blind".

Bad checks, theft and fraudulent use of stolen credit cards are a major problem to casino operators as well as law enforcement and prosecutors.

A casino manager summed up that the gaming industry deals

in "liquid merchandise" that is easily shoplifted; adding; "the gaming industry is the one business in which you truly can't afford to trust anyone."

C. PROSECUTION

Fraud is a major problem according to personnel of the Attorney General's office and the court specialist of the Nevada state planning agency; much of it is directly related to the gambling industry.

Fraud by gambling operators was not specifically mentioned although it may be a serious problem. Investigation and prosecution of such an offense is handled by the Gaming Control Board.

Washoe County Manager Russ McDonald did mention the roadside zoos as a source of "bunco" games. Tourists stop to view the animals and subsequently become involved in the confidence swindle. Nevada utilizes the Fish and Game Department's enforcement powers to investigate such tourist traps.

Prosecution of bad checks is handicapped by Nevada's adherence to the "Queen Anne Rule" by which checks offered in payment of a gambling debt are not collectible. A tourist can return home and stop payment on a valid check cashed in Nevada and, because the prosecutor must prove the check was not paid on a gambling debt, collection is virtually impossible.

The Washoe County District Attorney's office, Clark County and Carson City have fraud investigation units, according to the

Nevada State Planning Agency; however, the rest of the state does not have this capacity.

Fraud by stolen credit cards is another serious problem for both law enforcement and prosecution. Often the stolen card is used and destroyed before the owner has reported its loss.

Tourism and ~~the~~ mobility of Nevada people cause special problems to prosecutors who often have a case involving out-of-state witnesses, victims or defendants. If extradition is successful, the cost of transportation greatly increases the court costs.

## 7. EFFECTS ON THE COMMUNITY

### A. MUNICIPAL PROBLEMS

The mayor and the city attorney of Reno both said that municipal planning must precede the opening of gambling establishments.

A primary problem is zoning. Gaming will result in large concentrations of people and the municipality must determine where it will allow gaming operations. Reno has its "red-line" district within which all the unrestricted licensees must operate. An unrestricted license authorizes the licensee to have more than 15 slot machines and to conduct all allowable games. Reno allows establishments with restricted licenses to operate outside the "red-line" area. A restricted license allows only slot machines in establishments in which the machines' operation is incidental to the primary business of the licensee. A maximum of 15 slot machines may be operated under such a license.

According to the local officials, good zoning ordinances are necessary at the outset to assure good community planning and to facilitate control.

Parking is a serious problem in Reno; largely because Reno hotels are not required to provide off street parking. The city attorney said that if Montana is to have gaming, the municipalities must pass effective parking ordinances to insure a smooth flow of traffic. Businesses other than gaming operations may suffer because the gaming operations customers will use all available parking.

The municipalities also will have to prepare to provide services to tourists and to anticipate the needs of 24-hour towns.

### B. JUVENILES AND DELINQUENCY

With the exceptions of teenage prostitution and "chip-hustling," legalized gambling seems to have little direct influence on the juvenile delinquency rates in Nevada. Juvenile probation officers in Reno and Las Vegas said the correlation between their clients problems and gambling is minimal. They felt their problems were no different than those facing probation officers in other towns of similar size across the nation.

The legal age for both drinking and gambling is 21.

To the gambling industry, teenagers are nothing but trouble. In the casinos, juveniles practice "chip-hustling" or pan-handling and the more aggressive may solicit for prostitution. Consequently, the gaming industry polices itself and minors are not allowed in the casinos even with parents.

The two major juvenile delinquency problems which may be indirectly related to gambling are curfew violations and a high incidence of runaways. Parents may be employed in the grave yard shift of the gambling operation or be tourists visiting the casinos. Whichever the case, there is a lack of parental supervision. In Las Vegas, curfew violations result in the greatest number of referrals to the juvenile probation officer.

Runaways are attracted by the bright lights and easy money of the gambling towns. Overall, Nevada's incidence of runaways is much higher than Montana's. In Las Vegas, 66 per cent of the youth handled by juvenile courts are non-local runaways and in Reno, 22 per cent. Montana's rate is 2.5 per cent.

Although the runaway youth does not take much of the time or resources of correctional agencies and officers, they are still costly to the community in which they are apprehended. Parents must be located, temporary care provided and transportation home arranged. While probation officers were unable to provide statistics about the exact cost, they indicated the amount is significant.

Although alcohol is available 24 hours a day, the number of juvenile liquor violations processed by Nevada juvenile courts is approximately one quarter of Montana's current caseload.

#### C. JUVENILE NEGLECT

What one officer termed Nevada's "unstable environment" may not lead directly to juvenile delinquency but through child neglect and abuse it does affect Nevada's children.

Many women who come to take advantage of Nevada's liberal divorce laws stay on because they quickly find employment in the gambling industry. Parents working the grave yard shift leave their children unsupervised. Often tourists leave their children unattended in cars while visiting the casinos. In this case, the

hot Nevada air has caused casualties.

Although child neglect is not within the jurisdiction of juvenile probation, officers indicated it is a definite problem.

Beaten children are other victims of the general instability. Officials believe that child beating is a serious problem indirectly related to gambling. Law enforcement officers said many of these crimes are covered up or go unreported. However, there is as little documentation for the incidence of this crime in Nevada as elsewhere in the nation.

Probation officers and law enforcement officials mentioned the need for 24-hour-a-day child care facilities and youth centers attached to the gambling operations. A few gambling casinos do have such facilities, but many more are needed to provide adequate supervision.

#### D. EDUCATION

Despite its negative influence, the gambling industry does offer some advantages to youth.

Employment is available and probation officers have been able to utilize work therapy for their probationers. In Las Vegas, the schools have established sunset high school for students to attend classes in the evenings and work days. The probation officers see this as a good system for keeping potential dropouts in school until they receive their diplomas. Las Vegas also offers a good vocational training program.

It is interesting to note that many juveniles in Nevada are not stimulated to pursue higher education as they feel they can make a better living in the gambling industry than in a profession.

E. WELFARE IN NEVADA

By adoption of rigid standards and policies, Nevada has discouraged residents from seeking public assistance.

Only A.D.C. (Aid to Dependent Children) payments are distributed in Nevada as opposed to A.F.D.C. (Aid to Families With Dependent Children) offered by other states. This prevents two parent families from obtaining assistance and effectively limits eligibility to single women with children.

The state provides only 55 per cent of the established rate of subsistence and provides support to working women as encouragement for welfare workers to obtain at least part-time employment.

Informally, it is the policy of many welfare agencies to buy the prospective recipient a tank of gas and suggest he move to California. In interviews, many references were made to the high rate of public assistance offered in California. The caseworkers manage to let it be known that the welfare pastures are greener on the California side of the mountains.

F. CHARITY

A common myth that gambling organizations contribute heavily to charity was disclaimed in interviews with state human service

personnel. All casinos do contribute to charity; but no more generously than other businesses within the community.

Employees who had worked in Nevada for several years said casinos were more generous before they were taken over by large organizations—particularly that of Howard Hughes. These public officials attributed the prior generosity to previous owners having experienced poverty conditions in youth and, consequently, being more sympathetic to youth programs.

Today most of the casinos contribute to traditional charities. However, soliciting contribution involves contacting the Board of Directors and following through a great deal of red tape.

Employees of casinos in smaller communities often are active in civic affairs. Officials said small casino employees are usually more stable citizens than those in larger operations.

## 8. SPECIFIC SOCIAL PROBLEMS

### A. LEGALIZED GAMBLING AND DRUG ABUSE

Legalized gambling activity apparently has little effect on drug abuse. The idea that the gaming industry attracts drug pushers got little support from the officials interviewed. Their common feeling was that the gaming operators simply cannot take the chance of losing license or reputation by hiring persons who may be involved in drug traffic.

Larger casinos conduct extensive personnel screening programs to avoid hiring persons who may be involved with illegal drugs and to prevent drug users from entering the casino or loitering on the premises.

Local law enforcement officials felt that people coming to Nevada to gamble may bring drugs with them; but these drugs are brought for personal consumption rather than for sale. The Lake Tahoe area was viewed as the hot bed of drug abuse for Nevada because it's close to San Francisco, California, and a resort.

The statistics of Reno and Las Vegas juvenile courts showed, proportionately, the same percentage of drug abuse cases handled as is currently seen in Montana.

### B. PROSTITUTION

While local officials do not associate prostitution directly with gambling, many did point out that if one has the price he can always

find a girl in any of the hotels. This, they said, is common in many places which cater to tourism and conventions.

Except for Clark County, in which Las Vegas is located, legalizing prostitution is a county option. Applicants may apply to the county commissioners for permission to operate a house of prostitution and a license will be granted if county residents do not object.

Story County, which adjoins Washoe County (in which Reno is located) has authorized houses of prostitution. Reno city officials said that having the open houses nearby alleviates many of the problems usually associated with illegal prostitution, such as the street walker, the pimp and muggings.

Some Las Vegas officials said illegal prostitution in their county has caused serious problems which Reno has been able to avoid.

One problem is women coming to Las Vegas from Los Angeles for the weekend to solicit for prostitution. Because of the complexities of extradition and subpoenaing out-of-state witness, little can be done other than removing the woman for that particular weekend. In such situations, needed manpower is tied up in wasted apprehension efforts.

Officials also pointed out that authorized houses in which prostitutes can be inspected on a regular basis and subjected to strict house rules are an important means of controlling venereal disease. According to the Nevada Department of Human Resources,

the rate of venereal disease in Las Vegas is near epidemic proportion; whereas, Reno's venereal disease rate is comparatively low.

#### SUMMARY

The 24 hour nature of the gaming industry in Nevada *plus* the attraction of large numbers of people into small areas *plus* the atmosphere of bright lights, loose money and something-for-nothing add up to a natural setting for criminal and other anti-social behavior.

Nevada's rate of serious crimes, as computed by the Uniform Crime Report, is second only to California, the leader in Part 1 crimes in America.

These Part I crimes are murder, robbery, burglary, aggravated assault, rape, larceny and auto theft. The rate does not include such crimes as fraud, prostitution, embezzlement, sex crimes, narcotics, etc.

Nevada's experience, demonstrates the dollar and manpower impact of open gambling on Montana's law enforcement apparatus must be anticipated and accommodated prior to legalization.

**SECTION III:**  
**THE GALLUP ORGANIZATION,**  
**INC. PUBLIC OPINION POLL**

INTRODUCTION

This is a report on a survey of attitudes toward legalized gambling among Montana residents, conducted by the Gallup Organization, Inc. for the Montana Board of Crime Control. The survey determined the extent to which residents favored legalized gambling and the forms of gambling which meet with their approval. Attitudes toward the manner in which gambling regulations should be enforced was also explored. Residents' perceptions of the changes which might occur as a result of legalized gambling were examined. Finally, Montana residents' concern for problems facing the state and their attitude toward related issues was also measured.

METHOD:

Personal interviews were conducted with a representative sample of Montana residents age 18 years and older. A total of 1103 adult men and women were questioned during September, 1973. The actual questions asked are shown on the following pages. The composition of the sample, a description of the sampling procedure used and tables of recommended sampling tolerances will be found in the technical appendix.

THE QUESTIONS ASKED WERE:

ALL RESPONDENTS WERE ASKED:

1. In your opinion what is the MOST important problem facing this state today?
2. And what do you consider to be the next most important problem facing this state today?
3. In general, how would you rate the overall moral climate of Montana -- very high, fairly high, fairly low or very low?
4. Which 3 of the following problems do you think should receive the greatest attention by the Montana State government in the near future?

RESPONDENTS WERE SHOWN THE FOLLOWING CARD:

Welfare/relief	High taxes
Prostitution	Educational needs
Prison reform	Drug abuse
Poverty	Degeneration of the family
Pornography	Crime and lawlessness
Pollution (air/water)	Corruption in government
Inflation	Alcoholism

5. Thinking about 5 years from now, which of these problems, if any, do you think will be most critical or more of a problem than they are now in Montana? RESPONDENTS RETAINED CARD SHOWN IN QUESTION 4.
6. And which, if any, do you feel will be less of a problem in Montana, than they are now? RESPONDENTS RETAINED CARD SHOWN IN QUESTION 4.
7. On a different topic . . . How much respect do you have for law enforcement in this community - a great deal, some, hardly any or none?
8. In the election in November of 1972, there was a public referendum on legalizing gambling in Montana. Did you vote FOR or AGAINST legalizing gambling, or did things come up which prevented you from voting in that election?

RESPONDENTS WHO "DIDN'T VOTE" OR "CAN'T RECALL" (QUESTION 8) WERE ASKED:

9. Well, would you say that you are FOR or AGAINST legalizing gambling here in Montana?

ALL RESPONDENTS WERE ASKED:

10. Why are you for/against legalizing gambling in Montana?
11. As you may know, the voters last November gave the Montana State Legislature the right to legalize gambling. There are, of course, a number of different types of gambling. I would like your opinion as to which you would like to see here in Montana. As I read each type, tell me if you would approve or disapprove of it. RESPONDENTS WERE READ THE FOLLOWING LIST OF VARIOUS TYPES OF GAMBLING. (SHOWN ON THE FOLLOWING PAGE)

- Bingo
- Raffles
- Lunch boards
- Off track betting
- Dog racing
- Jai Lai
- Betting on sports events
- Dice games (craps)
- Slot machines
- Pin-ball machines
- Poker clubs
- Casino gambling

12. For each of the forms of gambling that you said you would approve of, I'd like to get your opinion about who, or what type of organization should be allowed to operate this type of gambling. RESPONDENTS WERE SHOWN THE FOLLOWING LIST:

- Churches, civic clubs, fraternal lodges
- Bars or taverns
- Special events such as fairs, rodeos, etc.
- Casinos or specially licensed gambling places
- Other commercial businesses (laundromats, gas stations, grocery stores, etc.)

13. If gambling were legalized here in Montana, what kind of licensing and enforcement would you like to see over the gambling operation? RESPONDENTS WERE SHOWN THE FOLLOWING LIST:

- County government licensing and enforcing
- State government licensing and enforcing
- Some combination of the above
- No formal controls

14. If gambling were legalized here in Montana, do you think it would be a good idea to create a new agency, such as a State Gambling Commission to inspect and enforce the law, or do you think some existing State Agency should regulate gambling?

RESPONDENTS ANSWERING "EXISTING AGENCY" (Q. 14) WERE ASKED:

15. Which of the state agencies listed on this card do you think should handle the regulation of gambling? RESPONDENTS WERE SHOWN THE FOLLOWING LIST:

- Board of Crime Control
- Department of Social and Rehabilitative Services
- Department of Revenue
- Department of Public Services Regulation
- Department of Professional and Occupational Licensing
- Department of Labor and Industry
- Environmental Quality Control
- Department of Education
- Department of Business Regulation
- Attorney General - Department of Justice

ALL RESPONDENTS WERE ASKED:

16. Again, if gambling were to be legalized here in Montana, how do you think it should be licensed? Would you like to see a strict licensing policy that would restrict gambling to certain locations, certain times, certain sizes of the gambling operations, etc. or do you think it would be better if there were not too many licensing regulations?
17. Would you favor or oppose establishing a legal age for a person to be allowed to gamble, or not?

RESPONDENTS ANSWERING "YES" IN QUESTION 17 WERE ASKED:

18. In your opinion, what age should that be?

ALL RESPONDENTS WERE ASKED:

19. In your opinion, is there any other restriction, or restrictions, that might be put on persons, if gambling were legalized here?
20. If all forms of gambling were to be legalized here in Montana, the state may collect revenue from the gambling operations. How would you like to see this revenue spent? RESPONDENTS WERE SHOWN THE FOLLOWING LIST:

1. Return the money to local municipalities for their own use
2. To increase or provide additional funding for compensation for innocent victims of crimes
3. To increase or provide additional funding for welfare and relief
4. To increase or provide additional funding for alcohol or drug abuse programs
5. To increase or provide additional funding for education
6. To reduce taxes

RESPONDENTS MENTIONING CATEGORY 6 IN QUESTION 20 WERE ASKED:

21. If it were not possible to use these revenues to reduce taxes, which ONE of these other alternatives would you prefer? RESPONDENTS WERE SHOWN THE FOLLOWING LIST:

- Return the money to local municipalities for their own use
- To increase or provide additional funding for compensation for innocent victims of crimes
- To increase or provide additional funding for welfare and relief
- To increase or provide additional funding for alcohol or drug abuse programs
- To increase or provide additional funding for education

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ALL RESPONDENTS WERE ASKED:

22. If all forms of gambling were legalized here, in Montana, in what ways, if any, do you feel it would change this state?

RESPONDENTS MENTIONING ANY CHANGES WERE ASKED:

23. All things considered, do you think these changes would be good for the state or not good for the state?

ALL RESPONDENTS WERE ASKED:

24. I am going to read a number of statements about how Montana might change if all forms of gambling were legalized. Some you may agree with and others you may disagree with. For each, tell me if it's something you feel would: definitely happen, probably happen, probably not happen, definitely not happen?

RESPONDENTS WERE SHOWN THE FOLLOWING LIST:

- The standard of living would improve
- Poverty in the state would increase
- Prostitution would increase
- Crime would increase in the community
- Pornography would be more available
- There would be more incidences of family break-ups and divorces

25. Even though you may have mentioned some of the problems on this card as definitely or possibly happening, which if any of these do you feel would become out of control or major problems, if Montana were to legalize casino gambling or other types of commercial gambling?

- |                          |                                 |
|--------------------------|---------------------------------|
| Corruption in government | Organized crime                 |
| Alcoholism               | Crime in your county            |
| Drug abuse               | Degeneration of the family unit |
| Pornography              | Prostitution                    |

26. In which ways, if any, do you think this type of gambling might affect you or your family?

27. Do you feel that casino gambling and other types of commercial gambling will appeal very much, somewhat, not too much, or not at all to the people of Montana?

28. Do you think casino gambling and other types of commercial gambling will bring new residents to the state besides tourists?

RESPONDENTS REPLYING "YES" IN Q. 28 WERE ASKED:

29. Would these new Montana residents be the type of people you would want to see come to the state, or the type of people you would not want to come to the state?

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ALL RESPONDENTS WERE ASKED:

30. Thinking for a moment about the people who now live in Montana, in which of these ways do you feel they might change if casino gambling and other types of commercial gambling are legalized in Montana?

RESPONDENTS WERE SHOWN THE FOLLOWING LIST:

- |                      |   |
|----------------------|---|
| More sophisticated   | Less friendly                                 |
| Less family oriented | More open to new ideas                        |
| More prosperous      | More concerned with money and material things |
| Less prosperous      |   |

31. If gambling were to be legalized, how popular and successful do you think it would be -- would it have a long term popularity and success, or do you think that the popularity and success of legal gambling would decrease as time went on?

32. All things considered, would you guess that legalized gambling would be good or bad for Montana?

33. Would you favor or oppose legalizing prostitution in Montana?

34. Would you favor or oppose legalizing marijuana in Montana?

35. Would you favor state or local censoring or restricting of the sale of pornographic materials or do you think that people should decide for themselves what they will buy or see?

36. Do you, yourself, ever gamble -- that is, play cards for money, wager on sporting events, buy lottery tickets, etc.?

37. Have you ever been to a gambling casino?

38. Apart from private gambling, such as home card games, and so forth, how much, if any, gambling do you think exists here in this community -- a great deal, some, hardly any, or none?

39. Here is a list of things you might see in certain books, movies, night clubs, etc. Which of these, if any, do you, personally, consider to be objectionable for yourself to see? RESPONDENTS WERE SHOWN THE FOLLOWING LIST:

- |                                |                            |
|--------------------------------|----------------------------|
| Partial nudity                 | Nude shows or performances |
| Total nudity                   | Find all objectionable     |
| Sex acts between men and women | None objectionable         |
| Homosexual acts                |                            |

OVERVIEW OF  
SURVEY FINDINGS

8

## OVERVIEW OF SURVEY FINDINGS

A large number of Montana residents believe the most important problems facing the state are high taxes, pollution and the high cost of living. However, these problems are not unique to the State of Montana and tend to be typical concerns of citizens everywhere. Perhaps more relevant to a discussion of attitudes toward legalized gambling, is the relatively large number who mention as most important the need for additional industry, improvements in the educational system, better roads and highways, or other problems of a similar nature. In addition, other problems mentioned appear to reflect concerns which may work against the acceptance of legalized gambling, e.g., overpopulation or crime and lawlessness. It is not surprising that these concerns are raised again when residents are questioned regarding the pros and cons of legalized gambling in Montana. Those problem areas most often mentioned by residents are also the ones most frequently thought to be problems the state should devote its greatest attention to, i.e., taxes, pollution and inflation. Additionally, drug abuse and welfare are perceived as problems to which the state should pay great attention. The prevailing belief is that these problems are not only important now, but will be more of a problem in the future.

Over half (55%) of the residents, including both those who voted in the November election and those who did not, reported they favor legalized gambling in Montana. Men were more likely than women to favor legalized gambling, and those under age 50 were more inclined to favor gambling than older residents. Additionally, upper income residents and those living in populated areas were more likely than others to favor legalized gambling. Finally, natives of Montana were more likely than others to support legalized gambling.

The reasons given for favoring the legalization of gambling, in general, relate to the benefits to be derived from added revenue for the state's treasury. Opposition to gambling is usually explained in terms of non-economic issues. For example, fear that it will disrupt family life, concern for the rise of organized crime in the state, or concern for an increase in political corruption.

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Residents are aware that gambling presently exists within their community and over half report gambling at some time themselves, which may help explain the acceptance of legalized gambling. The majority of residents believe that legalized gambling will enjoy long term popularity and success. However, opinion is evenly divided as to whether it will be good or bad for the state.

### Acceptance of Types of Gambling

The forms of gambling which receive the greatest approval are those most frequently associated with fund raising activities, namely bingo and raffles. Over half of those expressing an opinion also approve of a state lottery, punch boards and pinball machines. However, with regard to other forms of gambling, less than a majority of those expressing an opinion, approve of them.

The majority who approve of bingo or raffles feel churches, lodges or civic clubs should be allowed to operate these games. Those who approve of off track betting, dog racing or jai lai most often believe they should be operated at special events, e.g., fairs or rodeos. Bars or taverns are most often named as the appropriate operators for punch boards, pinball machines and betting on sports events, while a large number feel dice, poker and slot machines should be operated by casinos.

### Regulation of Gambling Operations

A large majority of residents, about eight out of ten, are in favor of strict licensing and regulation of gambling. Nine out of ten report there should be a minimum legal age established. The majority would set the legal age at 18 years -- consistent with the legal voting age; in contrast, a third would establish 21 years as the minimum legal age. Few other restrictions were

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mentioned. Among other restrictions mentioned, about one in ten thought the amount one could gamble should be limited and approximately an equal number would prohibit welfare recipients from gambling.

Four out of ten of those interviewed thought control of licensing and enforcement should rest in the hands of the state, while one in ten thought the county government should regulate gambling. Most other residents were of the opinion that control should be shared by both state and county government. The majority of residents believe that a new regulatory agency should be formed to handle legalized gambling. Among those who thought an existing agency should handle regulation, about 40% mentioned the Attorney General's office, one in four the Department of Revenue and 13% the Board of Crime Control.

#### Use of Gambling Revenue

Consistent with the large number of residents who expressed concern for high taxes, three-quarters of the respondents would like to see the revenue raised by gambling applied toward the reduction of taxes. Half the residents would favor using the revenue to increase funding for education, while about one in four would return the money to local municipalities or use it for alcohol or drug abuse programs. Fewer respondents would use the revenue to fund welfare programs or compensate innocent victims of crimes.

When residents were asked to choose one alternative, other than the reduction of taxes, one third would funnel the revenue into educational programs and almost as many would return it to local municipalities. One in five would increase funding for alcohol or drug abuse programs, while relatively few chose the other alternatives.

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#### Perception of Changes Brought About by Legalized Gambling

Montana residents see a favorable change in the state as a result of legalizing all forms of gambling, particularly in terms of increased revenue and tourism. However, they also perceive some unfavorable changes in the state. The two most frequently mentioned negative effects of gambling are the fear that undesirable elements will come into the state, e.g., organized crime, and relatedly fear of a higher crime rate. In addition, over one out of five believe that increases in prostitution, crime and family disruption would definitely happen as a result of legalizing all forms of gambling. As might be anticipated, those who favor legalized gambling are less inclined than others to perceive unfavorable changes. However, regardless of their attitude toward gambling, residents generally tend to see both favorable and unfavorable consequences as a result of its legalization.

#### Attitudes Toward Casino Gambling

Approximately three out of four residents feel casino gambling will have some appeal to Montana residents. However, residents tend to see many negative consequences of legalizing this form of gambling. In terms of the changes which casino gambling would bring about in Montana residents, four out of ten feel they will become more materialistic in their outlook, and one in four believe they will become less family oriented. In contrast, one in four feel residents will become more open to new ideas.

In addition, slightly more than half the respondents feel organized crime will become out of control if casino gambling were allowed. One-third are concerned that corruption in government will become out of control and almost as many hold a similar opinion with regard to the degeneration of the family. However, when asked how casino gambling will affect their own family, three-quarters report it will have no effect. Only a few feel it will bring economic benefits to their family through increased business and revenue in the state. Others feel it will create a bad environment in which to raise a family.

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## Attitudes Toward Other Issues

Despite the relatively large numbers who expressed concern for a decline in morality as a possible result of legalized gambling, a significant minority (39%) reported they favor the legalization of prostitution. Residents' attitude toward the legalization of marijuana is less favorable -- only slightly more than one in ten favor the legalization of marijuana. Generally, those in favor of legalizing both activities tend to be drawn from the same groups as those in favor of legalized gambling, i.e., men, younger residents, those in upper income households, and the better educated.

Opinion of censorship of pornographic materials is evenly divided. Slightly less than half the respondents are in favor of state or local censorship, while about the same proportion feel individuals should decide for themselves what they will buy or see. In terms of their personal standards, most residents find some aspect of sexual behavior found in books, movies, night clubs or other places of entertainment personally objectionable.

## SUMMARY OF FINDINGS

PROBLEMS FACING THE STATE OF MONTANA

When asked to name, without prompting, what they thought were the most important problems facing the state, Montana residents most frequently mentioned taxes, the high cost of living and pollution. Other frequently mentioned problems which may be specifically related to the state itself were the problems of strip mining, unemployment, the state's economy and the lack of industry. A number of other problems were mentioned which, while named by relatively few, may reflect concerns which directly or indirectly affect attitudes toward gambling. For example, concern for the lack of educational facilities, the condition of roadways, overpopulation and problems associated with welfare were expressed by some residents. A small number (3%) consider gambling one of the important problems facing the state. A complete list of these problems and the proportion of residents naming each are shown in the table below.

Problem . . .	Named As Most Important %	Named As Second Most Important %	Total Mentions %
High taxes	17	9	26
High cost of living	14	7	21
Pollution	10	9	19
Strip mining	10	4	14
Unemployment	7	7	14
Economy of state	7	3	10
Lack of industry	5	5	10
Corruption in government	5	3	8
Energy crisis	4	3	7
Drug abuse	3	4	7
Overpopulation of state	4	2	6
Condition of roadways	3	3	6
Lack of educational facilities	1	4	5
Crime	2	3	5
Lack of water	3	2	5
Low wages	3	2	5
Welfare	1	3	4

Continued . . .

Continued . . .

Problem . . .	Named As Most Important %	Named As Second Most Important %	Total Mentions %
Gambling	2	1	3
Emigration of young people	1	2	3
Sale of land to non-residents	1	2	3
Alcoholism	1	2	3
Lack of medical facilities	*	1	1
Miscellaneous	6	6	12
Don't know	6	20	6
Number of Interviews	(1103)	(1103)	(1103)

Some of the actual comments made are shown below:

Taxes:

High taxes for retired people; high taxes - if more employment then more tax dollars - people in state wouldn't have such a load; taxes are too high for property owners.

Inflation/High Price of Food/Food Shortage/High Prices/Cost of Living:  
Prices on groceries; beef prices - shortage of meat; dollar devaluation; high cost of living, price situation.

Environment/Pollution:

Pollution; air pollution, water pollution; I think ecology of the state, preserve the wilderness, prevent pollution.

Coal Strip Mining:

Coal field, strip mining; exploitation of state's resources; coal strip development and how it affects the environment.

Continued . . .

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Unemployment:

Job situation - work hard to find; unemployment problem - too few jobs; there aren't enough jobs to go around.

Economy of State:

State's economic development; lack of revenue for state to spend; the economy of the state.

Lack of Industry:

In order to keep our children in the state we have to have new industry and create employment; having more industry here so we could keep more people here; no new industry, no growth, no new population.

Politics/Corruption in Government:

The political disaster that's upsetting the state.

Fuel Shortage/Energy Crisis/Lack of Power:

The fuel shortage for transportation and home heating; the national fuel shortage is effecting Montana; lack of power for industry.

Drugs:

Drugs, influence on our young people.

Population:

Too many people coming in here; too many people moving in and taking over our farmland; too many outsiders moving in.

Road System/Accidents:

Afraid highways will deteriorate due to cut backs of funding; highway needs broadening out in places; lack of speed limits, terrible roads, revenue not being put in the right places.

Education:

Educational development; modernization revenues for schools; need more educational units for technical development.

Continued . . .

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Lack of Water:

Drought, not enough water now to generate electricity; dryness of climate; lack of rain.

Money/Low Wages:

Shortage of money; wages should be higher.

Welfare:

Welfare; not enough jobs, people getting it who shouldn't and those who need it don't get it enough.

Gambling:

Constitution bit, where they're trying to get gambling in; gambling; the prospect of getting gambling in.

No Young Educated People:

So many students have to go out of state for employment; school is behind the times, building wise.

Sale of Land to Out of State Residents:

Control of land investors subdividing lots; taking over ranches and farms from outside the state - 45% of the land owned by outside corporations, don't like this to happen; from what I see and hear, companies coming in for profits, not caring about the people.

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Residents were also shown a list of problems and asked to indicate which three problems they thought should receive the greatest attention from the Montana State government. As might be anticipated, the problems chosen tend to reflect those mentioned on an unprompted basis previously. Almost half (48%) of the respondents thought high taxes should receive the greatest attention, while about a third mentioned pollution (32%) or inflation (31%).

However, it is of interest that four out of ten (39%) reported drug abuse should receive the most attention, and a third (34%) mentioned welfare. Some issues appear to be of relatively little concern to Montana residents, fewer than 10% thought degeneration of the family, pornography, poverty, prison reform or prostitution should receive the greatest attention.

Residents' perception of the seriousness of these problems in the future also tends to reflect their current concerns. A larger proportion of citizens thought alcoholism, crime, drug abuse, taxes, inflation, pollution and welfare would be more of a problem five years from now than thought they would become less of a problem. The only problems that were inclined to be thought less likely a problem in five years rather than more of a problem were pornography, prison reform, and prostitution.

Problem . . .	Should Receive	In Five Years Will Be . . .	
	Greatest Attention From State	More of A Problem	Less of A Problem
	%	%	%
High taxes	48	30	3
Drug abuse	39	26	12
Welfare	34	18	6
Pollution	32	33	15
Inflation	31	21	8
Educational needs	29	17	15
Crime and lawlessness	22	21	5
Corruption in government	19	11	11
Alcoholism	15	10	4
Poverty	9	8	9
Prison reform	9	4	8
Degeneration of the family	7	7	7
Pornography	5	2	11
Prostitution	1	1	9
Don't know	*	4	25
Number of Interviews	(1103)	(1103)	(1103)

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Generally, Montana residents rate the moral climate of the state as very high or fairly high. About one out of ten rate the moral climate as fairly low, while 3% rate it as very low.

Respect for law enforcement in the community is also high, the majority of residents reporting they have a great deal of respect for law enforcement in their community, while slightly less than one in ten report they have little or no respect for law enforcement.

Rating of Overall Moral Climate . . .	All Residents %
Very high	17
Fairly high	62
Fairly low	11
Very low	3
No opinion	7
Total	100
Number of Interviews	(1103)

Respect For Law Enforcement . . .	All Residents %
A great deal	58
Some	30
Hardly any	7
None	2
No opinion	3
Total	100
Number of Interviews	(1103)

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POSITION ON LEGALIZED GAMBLING

The majority of Montana residents questioned are in favor of legalized gambling. About four out of ten (42%) of those interviewed reported they voted in favor of the referendum to legalize gambling in the November, 1972 election, and an additional 13% did not vote but are in favor of legalized gambling. Men are more likely than women to favor the legalization of gambling in Montana. Residents under 50 years of age, and those with a college education were more likely to favor legalized gambling than older or less well educated residents. In terms of family income, those in households with an annual family income of \$7,000 or higher were more likely than lower income groups to favor gambling. Additionally, white collar workers and manual workers were more inclined to support legalized gambling than were farmers or those in the non-labor force. Finally, natives of Montana were more likely than non-natives to support legalized gambling.

Position on Legalized Gambling . . .	<u>All Residents</u> %
Voted in favor in November 1972 election	42
Voted against in November 1972 election	32
Did not vote/Can't recall	26
In favor of legalized gambling	13
Not in favor of legalized gambling	10
No opinion	3
Total	100
Number of Interviews	(1103)

A slight majority (54%) believe legalized gambling will have long term popularity and success, while 41% are of the opinion that its popularity will decrease as time passes. Once again, those groups who tend to favor legalized gambling perceive it as having long term success.

Opinion is about evenly divided between those who feel legalized gambling is good for the state (46%) and those who feel it is bad for the state (47%).

Legalized Gambling Will . . .	<u>All Residents</u> %
Have long term popularity and success	54
Decrease in popularity in time	41
Don't know	5
Total	100
Number of Interviews	(1103)

Legalized Gambling Will Be . . .	<u>All Residents</u> %
Good for the state.	46
Bad for the state	47
No opinion	7
Total	100
Number of Interviews	(1103)

The majority of residents report some gambling exists in their community (52%), while 15% report a great deal of gambling exists. One in four report hardly any or no gambling occurs in their community. The opinion that gambling is relatively widespread is reflected in the proportion who report they gamble at times(52%). In addition, a somewhat larger proportion report having visited gambling casino at some time (58%). As one might expect, those who tend to favor gambling report some personal gambling experiences more frequently than others. However, it is of interest that with few exceptions, the majority within all demographic groups report visiting a gambling casino. The most notable exception is young people, 18 to 25 years of age, less than half (40%) of the respondents in this group report visiting a gambling casino.

Extent of Gambling In Community . . .	<u>All Residents</u> %
Great deal	15
Some	52
Hardly any	21
None	4
Don't know	8
Total	100
Number of Interviews	(1103)

When asked why they favor legalized gambling in Montana, most answers relate to the benefits to be derived by the state through added revenue. One in four residents mention without elaboration being in favor of gambling because it produces revenue for the state, while some acknowledge the existence of illegal gambling at present and feel the state should use this existing situation to its own advantage, and others see the benefits in terms of lowering their own taxes. A small number admit to favoring gambling because they personally like to gamble (6%), while a few believe it will bring business into the state and others favor it on the grounds of individual freedom.

In contrast, the reasons given for not favoring gambling are more varied. About one in eight believe gambling will deprive families of income and almost as many see a threat from undesirable elements, particularly organized crime and professional gamblers. Others have personal or religious beliefs which oppose gambling, or feel legalized gambling will hurt the state and/or the individual in some unspecified way. A few residents fear gambling will lead to an undesirable increase in the population.

Reasons For Favoring Gambling in Montana . . .	<u>All Residents</u> %
<u>Produce revenue for state:</u> <i>It can be a good thing if controlled and bring in revenue; a great source of revenue for state.</i>	26
<u>Since gambling already exists, state should benefit from it:</u> <i>Because they're gambling anyway - might as well be brought out in open and state benefit from the licenses that they would buy; so much gambling going on in state and state isn't getting any revenue from it.</i>	17
<u>May reduce taxes:</u> <i>Taxation on gambling should relieve taxation on property owner; lower our taxes; I think personal property taxes would go down.</i>	14
<u>Personally like to gamble:</u> <i>Because I believe in it; bingo games for elderly people is fine for them - a wonderful thing; I'm a gambler; I enjoy it.</i>	6
<u>Gambling should be an individual choice:</u> <i>I think people ought to be allowed to have more individual rights; man should be allowed to decide for himself what is right or wrong; gambling is a person's private business; no moral issue, people should have their own choice but I'm no gambler myself.</i>	1

Continued . . .

Reasons For Favoring Gambling in Montana . . .	<u>All Residents</u> %
<u>Gambling will bring business into state:</u> <i>It would bring in more people and create more work; it would bring in industry; Montana is basically without industries, would bring in a lot more opportunities.</i>	1
<u>In favor but only of certain types of gambling:</u> <i>Things such as lottery and other small things, not any open gambling; to legalize bingo, etc. and keep out big time gambling.</i>	*
Miscellaneous:	2
 <u>All Residents</u> %	
Reasons For Not Favoring Gambling in Montana . . .	
<u>Deprives families:</u> <i>It takes money away from poor; I think it's an incentive for men to gamble, instead of giving the money to their families; the checks are spent on gambling instead of taking it home.</i>	13
<u>Brings undesirables into state:</u> <i>Mafia and organized crime; the unwanted would come into the state; because we felt it would bring in big time gambling; criminal element brought into state along with legalized gambling.</i>	11
<u>Do not believe in gambling:</u> <i>I don't like gambling; it isn't christian, I don't believe in it.</i>	6
<u>Causes corruption:</u> <i>The corruption that comes with gambling; corrupts people more than they are; it tends to lead to corruption and if legalized would lead from one thing to another.</i>	6
<u>Would hurt state:</u> <i>I don't like what it does to the state; I don't think it would do the state any good.</i>	5
<u>Does more harm than good:</u> <i>Gambling is not right, is a disease; won't do anybody any good; it would do more harm than good.</i>	5
<u>Causes population problems:</u> <i>Population would increase an awful lot; overpopulation of the state.</i>	2
Miscellaneous:	2
Don't Know	4
Number of Interviews	(1103)

Men more frequently than women favored legalized gambling because of the added revenue it would bring the state. Typical of the statements made are the following:

- "It will bring more money into state - relieve money problems".  
(Male, age 50)
- "State can bring in a lot of revenue if handled in the right way". (24 year old, married salesman)
- "I think it would be a great source of revenue for the state, if they went about it right it might even lower taxes".  
(A single male, age 20)

Those in middle income groups frequently mentioned that the state should benefit from existing gambling, for example:

- "They are going to gamble anyway and the state should collect taxes". (Said by a man with an annual income between \$7,000 and \$9,999)
- "They're already gambling and might as well legalize it".  
(A high school graduate, with an annual income between \$7,000 and \$9,999)

Residents with an annual family income of \$10,000 or higher with children more frequently than others favored gambling because it would reduce taxes. Among the comments made were the following:

- "I am for gambling in order to reduce high taxes". (A married man with two children and an annual family income of \$20,000 or higher)
- "Save us paying taxes". (Comment made by a man with two children and an annual income between \$10,000 and \$11,999)

Women were more inclined than men to feel gambling will bring in undesirables, for example:

- "I am against it because it brings in non-desirable people".  
(A 46 year old woman with 3 children)
- "Afraid of people it would bring into the state". (A 26 year old woman with 3 children)
- "Brings in poor type of person around which to raise children".  
(A 36 year old woman with 1 child)

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Women were also more likely than men to oppose gambling because it deprives families. In addition, those over 50 years of age, with a grade school education or an annual income under \$5,000 hold this opinion.

Illustrative of their feelings are the following comments:

"People use slot machines instead of using money for the family, they suffer". (A 50 year old woman, high school graduate)

"Many women with children would go hungry and the county would have to support them". (A 78 year old, retired man)

"It will take the bread and butter from the family". (A male with a grade school education and an annual family income between \$4,000 and \$4,999)

## ATTITUDES TOWARD TYPES OF GAMBLING

Montana residents were asked whether they approved or disapproved of various types of gambling. Among those who expressed an opinion, nine out of ten approved of bingo and almost as many expressed approval for raffles. In addition, the majority of those expressing an opinion approved of punch boards, pinball machines and a state lottery. Opinion was about evenly divided with regard to dog racing and poker clubs, with slightly fewer approving than disapproving. With regard to other forms of gambling, a majority disapproved of them. Disapproval was greatest among those expressing an opinion about off-track betting, casino gambling and jai lai.

Type of Gambling . . .	All Who . . .			Number of *	
	Approve %	Disapprove %	Total %	Interviews	Don't know
Bingo	91	9	100	(1088)	1
Raffles	85	15	100	(1042)	5
Punch boards	60	40	100	(1032)	6
Pin Ball machines	57	43	100	(1058)	4
State lottery	57	43	100	(980)	11
Dog racing	49	51	100	(1003)	9
Poker clubs	48	52	100	(972)	12
Betting on sports events	44	56	100	(1056)	4
Slot machines	44	56	100	(1071)	3
Dice games	38	62	100	(1052)	5
Casino gambling	34	66	100	(1048)	5
Off-track betting	34	66	100	(966)	12
Jai lai	32	68	100	(537)	52

\* Don't know excluded from percentage base.

Among those in favor of bingo, the majority (90%) feel churches, civic clubs or fraternal lodges should be allowed to operate bingo games. Similarly, those who approve of raffles most frequently name churches, civic clubs and lodges as operators (78%). Those who approve of off track betting, dog racing, or jai lai most often mention special events such as fairs or rodeos as the places where these forms of gambling should occur. Punch boards, pinball machines and betting on sports events tend to be associated with bars or taverns, while those who approve of dice, poker clubs or slot machines tend to believe casinos or bars are the appropriate operators. Opinion is about evenly divided on the question of the appropriate operator for a state lottery.

Approve of . . .	Churches Civic Clubs, Lodges %	Bars or Taverns %	Special Events %	Casinos %	Other Commercial Businesses %	Don't Know %	Number of Interviews
Bingo	90	13	38	12	8	2	(995)
Raffles	78	19	47	11	21	3	(890)
Dog racing	10	11	72	23	11	10	(491)
Off track betting	11	22	66	31	13	9	(323)
Punch boards	20	85	17	24	15	4	(612)
Pinball	18	78	16	40	25	5	(590)
Betting on sports	19	50	39	27	22	11	(466)
Slot machines	19	67	14	66	15	4	(455)
Dice	15	59	16	63	11	4	(389)
Poker clubs	45	48	13	50	13	7	(460)
State lottery	26	25	22	32	30	30	(555)
Jai lai	16	17	45	34	17	23	(176)
Casinos	10	24	12	85	9	6	(353)

REGULATION OF GAMBLING OPERATIONS

Among all Montana residents, four out of ten (39%) feel the state government should license and enforce gambling operations, while 11% feel the county government should do so. About as many (45%) feel licensing and enforcement should be performed by some combination of state and county governments as feel that each should have sole responsibility. Only 1% believe no formal controls should be imposed.

The majority (55%) are of the opinion that a new agency should be formed to handle the regulation of gambling in the state. About a third (36%) feel an existing agency should regulate gambling. Among those who feel an existing agency should take responsibility for regulation, 42% believe the Attorney General's office should have the responsibility, 24% feel the Department of Revenue should regulate gambling, and 13% name the Board of Crime Control as the regulating agency. Those who favor legalized gambling are somewhat more likely to name the Department of Revenue. Those opposed to legalized gambling more frequently than others name the Board of Crime Control.

Agency Responsible For Control of Gambling . . .	All Who Report an Existing Agency Should Be Responsible		
	Total %	Favor Gambling %	Oppose Gambling %
Attorney General - Department of Justice	42	40	44
Department of Revenue	24	27	20
Board of Crime Control	13	5	18
Department of Professional and Occupational Licensing	11	11	9
Department of Business Regulation	10	11	9
Department of Public Service Regulations	7	5	8
Department of Education	1	*	1
Department of Labor and Industry	1	1	*
Department of Social and Rehabilitative Services	1	1	1
Environmental Quality Council	*	0	0
Other	2	3	1
Don't know	4	4	5
Number of Interviews	(410)	(211)	(188)

\* Less than one-half of one per cent.

About eight out of ten (79%) feel there should be strict licensing of gambling, while 18% are of the opinion that few controls should be imposed. Virtually all residents (94%) believe there should be a legal age for a person allowed to gamble. The legal age mentioned by the majority is 18 years (56%), while a third (34%) feel 21 years should be the legal age.

	<u>All Residents</u>
Type of Licensing Policy . . .	%
Strict licensing	79
Not too many regulations	18
Don't know	<u>3</u>
Total	100
Number of Interviews	(1103)

	<u>All Residents</u>
Legal Age . . .	%
Yes	94
No/Don't know	<u>6</u>
Total	100
Number of Interviews	(1103)

	<u>All Who Favor Legal Age</u>
Age Limit . . .	%
18 years	56
19 - 20 years	8
21 years	34
22 or older	<u>2</u>
Total	100
Number of Interviews	(1034)

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# CONTINUED

# 1 OF 2

In addition to restrictions on the age at which a person may gamble, some residents would limit the amount of money one could spend gambling (10%). Others would prohibit welfare recipients from gambling (9%), while a few mentioned keeping control within the state (3%). Some residents suggested restrictions on drinking, those with criminal records, or those caught cheating. In addition, some feel the general welfare of the family should be protected, and a few feel a time limit on gambling should be imposed.

	<u>All Residents</u>
	%
Other Restrictions . . .	
<u>Limit amount of money gambled:</u> <i>Have a ceiling on betting; limit the amount of money a person could lose; they should be limited on how much they can spend; not to spend their entire income on gambling; restrict people from over extending themselves; a big problem is with loans, people shouldn't be allowed to borrow money for gambling.</i>	10
<u>Welfare recipients should not gamble:</u> <i>Anyone on welfare shouldn't be allowed, using government money; they would have to be off welfare and support themselves; don't want welfare people to use their money.</i>	9
<u>Keep control within state:</u> <i>I don't feel big corporations or existing large gambling organizations should be allowed in, it should be handled by state residents; wouldn't approve of these big syndicates coming in and taking over.</i>	3
<u>No drinking allowed:</u> <i>No liquor allowed; no drunken gambling, only sober gambling.</i>	2
<u>No one with a criminal record should gamble:</u> <i>No one who has committed a felony should be allowed to gamble; criminals should not be allowed to operate gambling places; anyone operating that is a known criminal should have his license revoked.</i>	2
<u>Gambling should not jeopardize families:</u> <i>Men with families should be restricted; should be a penalty if a person deprives their families; shouldn't interfere with family life - shouldn't jeopardize health and welfare of family.</i>	1
<u>Time limit:</u> <i>Curfew on gambling at 10 P.M.; hours - when they could do it, 2:00 A.M., like the bars; shouldn't be an all night thing, time limit on it.</i>	1
<u>Strict penalty for cheating:</u> <i>Anyone found cheating should be barred from taking part in it; should be stiff penalty if people don't live up to the laws.</i>	1

Continued . . .

Continued . . .

	<u>All Residents</u>
	%
Other Restrictions . . .	
Yes, unspecified:	1
Miscellaneous:	5
<u>No other restrictions:</u> <i>I don't see how you could place any other restrictions on it; not anything right now; not as it is.</i>	52
Don't know	15
Number of Interviews	(1103)

Residents with relatively high annual family incomes were more likely than others to favor restricting welfare recipients from gambling. Typical of the statements made are the following:

*"People on welfare or relief should not be allowed to gamble".*  
(Mentioned by a 53 year old male with a family income between \$10,000 and \$11,999)

*"You wouldn't want people on welfare to gamble".* (A married woman with an annual family income between \$10,000 - \$11,999)

*"Certain people should not be allowed to gamble regardless of age, such as those on welfare".* (A 47 year old man with an annual income or \$20,000 or over)

Those with moderate incomes and three or more children were more inclined than others to restrict the amount of money spent gambling, for example:

*"Shouldn't be allowed to spend more than you have - no I.O.U. 's".*  
(A woman with 3 children and an annual family income between \$5,000 - \$6,999)

*"Check to see if they could afford it, make sure they can afford it".* (A farmer with an income between \$5,000 - \$6,999 with 4 children)

## USE OF GAMBLING REVENUE

The majority of residents feel state revenues from legalized gambling should be used to reduce taxes (75%). Half of the residents report revenue should go toward funding education, while slightly more than a fourth report revenue should be returned to local municipalities (28%) or used to fund alcohol and drug abuse programs (27%). Somewhat fewer feel the monies obtained should be used for funding welfare (17%) or compensation for crime, victims (13%).

	<u>All Residents</u>
	%
How Revenue Should Be Spent . . .	
To reduce taxes	75
To increase or provide additional funding for education	50
Return the money to local municipalities for their own use	28
Increase or provide additional funding for alcohol or drug abuse programs	27
Increase or provide additional funding for welfare and relief	17
Increase or provide additional funding for compensation for innocent victims of crimes	13
Don't know	2
Number of Interviews	(1103)

Those who mentioned using the revenue to reduce taxes were asked what one alternative they would prefer if it was not possible to use the money obtained for tax reduction. About a third chose funding education (32%) and 29% would return the money to local municipalities. Slightly fewer than one in five (17%) would have the funds used for alcohol and drug abuse programs, while only a small proportion chose the other alternatives.

Continued . . .

Continued . . .

	<u>All Who Mentioned Reducing Taxes</u>
	%
Alternatives Preferred . . .	
Increase or provide additional funding for education	32
Return the money to local municipalities for their own use	29
Increase or provide additional funding for alcohol or drug abuse programs	17
Increase or provide additional funding for welfare and relief	6
Increase or provide additional funding for compensation for innocent victims of crimes	3
Other	2
Don't know	<u>11</u>
Total	100
Number of Interviews	(836)

## CHANGES RESULTING FROM LEGALIZED GAMBLING

Montana residents perceive changes which are both positive and negative in character if all forms of gambling were legalized. Opinion is about evenly divided between those who feel the changes which might be brought about are good for the state (48%) and those who feel they will not be good for the state (44%). The positive changes they perceive relate largely to improvements in financial conditions within the state. One in five feel gambling would increase state revenue, and about one in ten feel taxes would be reduced. Increase in tourism as a result of gambling is also perceived by many (16%).

On the negative side, residents expect more moral and social problems as a result of legalized gambling. Concern is expressed that gambling will bring undesirables, particularly criminals, into the state (14%) and relatedly, 13% feel the crime rate will increase. Others feel gambling will be a detriment to the state in general (8%), that corruption will increase (4%) or the family will degenerate (4%). In addition, alcoholism, moral decay and welfare problems are seen as resulting from the legalization of gambling.

Ways State Would ChangePositive Statements . . .

	<u>All Residents</u>
	%
<u>Increase state revenue:</u> <i>It would help, help revenue; I think the state would have more money to run on; good source of revenue to our state; it would be a richer state; we could accomplish more goals.</i>	22
<u>Increase number of tourists:</u> <i>Draw more tourists; a difference in number of tourists; it would bring an increase in tourist traffic.</i>	16
<u>Reduce taxes:</u> <i>Lower property tax.</i>	11
<u>Bring in more money:</u> <i>More people would have money; more money around; it would help general funds; more money in circulation.</i>	7
<u>Create more jobs:</u> <i>It might provide more work; would increase employment opportunities.</i>	5
<u>Improve highways:</u> <i>Make it more prosperous for highways; possibly it would do more for streets, roads.</i>	3
<u>Improve education:</u> <i>Should help education; it would help schools; improve education system.</i>	3
<u>Provide funds for alcohol/drug programs:</u>	1
Miscellaneous Positive Statements	2

Continued . . .

Continued . . .

<u>Ways State Would Change</u>	<u>All Residents</u>
<u>Negative Statements . . .</u>	<u>%</u>
<u>Bring in undesirable people:</u> <i>I think you'd have more rif-raf and a syndicate; it might bring in organized crime; it would make a difference in the type of tourist.</i>	14
<u>Higher crime rate:</u> <i>Not so much crime now . . .; more crime problems; creates conditions for more crime.</i>	13
<u>Detrimental to state:</u> <i>It would just bring everything into the state we would not want; state would have more than they could control.</i>	8
<u>Increase corruption:</u> <i>For the worst I think it would lead to corruption; more corrupt.</i>	4
<u>Require more law enforcement:</u> <i>Increase police force; need a bigger police force; a lot more law enforcement; additional enforcement problem.</i>	4
<u>Cause degeneration of the family:</u> <i>Cause more disturbances in family.</i>	4
<u>Create welfare problems:</u> <i>There would be more people on welfare; be a waiting list at the welfare office; cause a problem with welfare.</i>	3
<u>Cause moral decay:</u> <i>Lower morality of this state.</i>	3
<u>Increase alcoholism/drug abuse:</u>	2
<u>Make it just like Nevada:</u>	1
<u>Miscellaneous negative statements:</u>	3
<u>Bring in more people (positive or negative):</u> <i>Population growth; increase our population; a big influx of people.</i>	16
<u>No change:</u>	8
<u>Don't know</u>	4
<u>Number of Interviews</u>	(1103)

Residents who approve of legalized gambling are more likely than those who disapprove to mention positive changes in the state. However, it is noteworthy that both those who approve and those who disapprove of gambling perceive favorable and unfavorable changes possibly occurring in the state as a result of its legalization.

<u>Ways State Would Change</u>	<u>Total</u>	<u>All Who . . .</u>	
		<u>Favor Gambling</u>	<u>Oppose Gambling</u>
<u>Positive Statements . . .</u>	<u>%</u>	<u>%</u>	<u>%</u>
Increase state revenue	22	30	10
Increase number of tourists	16	21	10
Reduce taxes	11	17	4
Bring in more money	7	10	3
Create more jobs	5	9	1
Improve highways	3	4	1
Improve education	3	4	2
Provide funds for alcohol/drug programs	1	1	*
Miscellaneous positive statements	2	4	*
<u>Negative Statements . . .</u>			
Bring in undesirable people	14	9	20
Higher crime rate	13	8	19
Detrimental to state	8	2	14
Increase corruption	4	2	7
Require more law enforcement	4	5	3
Cause degeneration of the family	4	1	9
Create welfare problems	3	1	6
Cause moral decay	3	1	6
Increase alcohol/drug abuse	2	1	5
Make it just like Nevada	1	1	1
Miscellaneous negative statements	3	2	5
Bring in more people	16	16	15
No change	8	9	5
Don't know	4	2	5
<u>Number of Interviews</u>	(1103)	(606)	(468)

\* Less than one-half of one per cent.

Residents from manual worker households, those with a grade school education and those between 35 and 49 years more frequently than other groups mentioned increased revenue as a change resulting from legalized gambling, for example:

*"It would bring in outside business - more people would come to the state and more revenue".* (Comment by a 37 year old woman)

*"Help state collect taxes to ease burden on property owners".*  
(The wife of a manual worker)

*"Bring a lot of money into the state".* (A 36 year old lumberjack with three children)

Residents under 35 years of age mentioned often the increased tourism resulting from legalized gambling.

*"I think we would have more tourists".* Comment made by a 34 year old woman)

*"I think it will increase the influx of tourists".* (A 24 year old male)

*"A few more tourists coming in and spending more money".* (An 18 year old, unmarried male)

Young residents, 18 to 25 years of age, those with a high school education and families with 3 or more children frequently mentioned more people coming into Montana. Typical of the comments made:

*"Bring in more people, make Montana bigger".* (Mentioned by a female high school graduate)

*"Bring more people into the state".* (A married man with 3 children)

*"Bring more outside people into state".* (A 25 year old woman with three children)

Among the unfavorable changes perceived, those 50 years of age and older were more likely than others to mention an increase in undesirables, for example:

*"It brings in the wrong type of people".* (Comment made by a 56 year old woman)

*"We would have an influx of undesirable people".* (Mentioned by a 51 year old man)

*"Different type of personality that I would not care for, same as Los Vegas".* (A 55 year old, male, insurance agent)

Continued . . .

College educated residents, those with high family incomes and those in business and professional households more often than others mentioned the possibility of a high crime rate, for example:

*"Might be a little more crime to go along with it too".*  
(Statement made by a 25 year old, college educated woman)

*"Mafia type organizations would take over and there would be no room for the little person".* (A retired high school teacher)

*"Possibility of crime syndicate moving into the state. Might increase juvenile delinquency problem as well as overall crime rate".* (Comment by a 46 year old woman with one child and an annual family income between \$15,000 and \$19,999)

In addition to obtaining their unprompted views on the types of changes likely to occur if all forms of gambling were legalized, residents were questioned about six specific changes that might possibly occur. When asked the chances of the standard of living improving as a result of legalized gambling one in ten thought it would definitely happen, while 13% reported it would definitely not happen. Others took an intermediate position, however, the overall tendency is toward the view that an improved standard of living would not happen. As might be expected, those groups most supportive of gambling were more likely than others to feel the standard of living would improve. In particular, men and those under 50 years of age tend to believe the standard of living will improve as a result of legalized gambling.

While one in ten thought an improvement in the standard of living would definitely happen, about as many (13%) were of the opinion that an increase in poverty within the state would definitely happen. An additional 30% thought an increase in poverty would probably happen if all forms of gambling were legalized. Those groups most likely to be opposed to gambling, e.g., women, those over 50 years of age, low income residents, were more inclined than others to feel there was a chance that poverty would increase.

In addition, a majority of residents thought an increase in prostitution, crime and family break-ups would either definitely happen or probably happen if all forms of gambling were legalized. With regard to all three situations, over one in five reported they thought an increase would definitely happen. Slightly less than half thought pornography would become more available and about an equal proportion thought it would not become more available. Those groups most likely to be opposed to legalized gambling tend to foresee an increase in each of the situations described.

Continued . . .

If Gambling Were Legalized in Montana . . .	Definitely Happen %	Probably Happen %	Probably Not Happen %	Definitely Not Happen %	Don't Know %	Total %	Number of Interviews
The standard of living would improve	10	29	46	13	2	100	(1103)
Poverty in the state would increase	13	30	44	9	4	100	(1103)
Prostitution would increase	24	43	24	4	5	100	(1103)
Crime would increase in the community	23	38	31	5	3	100	(1103)
There would be more incidences of break- ups and divorces	22	40	28	6	4	100	(1103)
Pornography would be more available	15	30	38	9	8	100	(1103)

## ATTITUDES TOWARD CASINO GAMBLING

The majority of those questioned believed that casino gambling would have some appeal to Montana residents. About one in five (22%) thought casino gambling would appeal very much and 55% thought it would appeal somewhat to residents.

Appeal of Casino Gambling to Residents . . .	All Residents %	All Who . . .	
		Favor Gambling %	Oppose Gambling %
Very much	22	25	19
Somewhat	55	56	54
Not too much	16	16	16
Not at all	3	2	4
Don't know	4	1	7
Total	100	100	100
Number of Interviews	(1103)	(606)	(468)

Four out of five respondents (79%) thought casino gambling and other types of commercial gambling would bring new residents, besides tourists, to the state. However, the majority of those who anticipated new residents reported these residents would be a type they would not want to come to their state (57%). Only one in five (20%) reported the new residents would be a type they would want to see come to Montana. This response to outsiders is consistent with expressions of concern about outsiders observed earlier, and may possibly also reflect concern previously expressed that organized crime might take over gambling in the state.

Respondents tend to believe casino gambling will make Montana residents more concerned with money and material things (38%). In addition, about one in four (26%) feel residents will become less family oriented. It should be noted that among those opposed to gambling a decline in family orientation was the most frequently perceived change -- almost half mentioning it. In contrast, 25% of all respondents interviewed thought residents would become more open to new ideas.

Montana Residents Would Become . . .	All Residents %
More concerned with money and material things	38
Less family oriented	26
More open to new ideas	25
Less friendly	20
More prosperous	18
Less prosperous	16
More sophisticated	9
None of the above	12
Don't know	1
Number of Interviews	(1103)

When asked what problems might become out of control if Montana were to legalize casino gambling or other types of commercial gambling, the majority of residents reported organized crime (51%). One-third (33%) thought corruption in government would become out of control, and almost as many (29%) the degeneration of the family. Of the problems they were questioned about only pornography was mentioned by few (7%) as possibly becoming out of control. Slightly more than one in ten (13%) did not think any of the problems would become out of control. Concern that problems would become out of control were more often voiced by those who disapprove of legalized gambling than those who approve of gambling.

Problems Which Would Become Out of Control . . .	All Residents %	All Who . . .	
		Favor Gambling %	Oppose Gambling %
Organized crime	51	43	62
Corruption in government	33	31	37
Degeneration of the family	29	14	47
Crime in respondent's county	24	13	38
Alcoholism	22	15	31
Drug abuse	19	13	39
Prostitution	18	12	25
Pornography	7	4	12
None of the above	13	22	2
Don't know	4	4	4
Number of Interviews	(1103)	(606)	(468)

When asked what affect casino gambling might have on their family, three-quarters of the residents did not think it would have any effect. A few saw benefits to themselves either directly or indirectly through increases in business or lower taxes. Some felt it would create a bad environment for their family (5%) or contribute to the degeneration of the family (3%).

#### Effect on Family

##### Positive Comments . . .

	All Residents %
<u>Bring more people/business:</u> <i>Create more work for me - more population; it would bring more people in and create more business.</i>	3
<u>Lower taxes:</u> <i>Cut down on taxes; maybe lower taxes on my house.</i>	3
<u>Increase income:</u> <i>It would be good with the added moneys to help us.</i>	1
<u>Improve opportunities for education:</u>	1

##### Negative Comments . . .

<u>Create bad environment for family:</u> <i>Think would cause us to feel more fearful and uneasy about living in the community; scared to let children go or be out; I feel we would be afraid of the outsiders such as persons on drugs and alcohol - not a good environment to raise a family.</i>	5
<u>Degeneration of the family:</u> <i>It would be more difficult to maintain the moral attitude within the family; it would degenerate the family.</i>	3
<u>Higher crime rate:</u> <i>Crime in this county; the crime rate would be higher.</i>	2
<u>Raise taxes:</u> <i>Make taxes go up.</i>	1
<u>Contribute to alcoholism:</u> <i>Would increase the drinking of my husband; alcoholism, maybe.</i>	1
<u>Respondent would gamble:</u> <i>Probably try it out; it would effect me, I would probably go down and gamble every night; might go to bingo once a week.</i>	3
<u>Would affect family indirectly:</u> <i>It wouldn't, except indirectly.</i>	1
Miscellaneous:	2
<u>No effect:</u> <i>Won't bother us at all; probably not any.</i>	74
Don't know	3

Women, young people 18 to 25 years of age and those with moderate incomes mentioned the degeneration of the family more frequently than other, e.g.:

"Gambling would cause disruption of family life". (A retired man with an annual family income between \$5,000 and \$6,999)

"It would be a hardship on our family". (Comment by a wife of a farmer)

Men, those between 26 and 34 years of age and residents with a college education, more frequently than others reported it would raise the economy.

"It would raise my standard of living". (A 34 year old, male, college professor)

"We would benefit from it - it's going to increase real estate values". (Comment made by a male, college graduate)

#### ATTITUDES TOWARD OTHER ISSUES

About four out of ten Montana residents (39%) reported they are in favor of legalizing prostitution. A much smaller proportion (12%) reported they are in favor of legalizing marijuana. Those who favor the legalization of these activities tend to be drawn from the same demographic groups who are in favor of the legalization of gambling.

Legalization of Prostitution . . .	<u>All Residents</u> %
Favor	39
Oppose	55
No opinion	<u>6</u>
Total	100
Number of Interviews	(1103)

Legalization of Marijuana . . .	<u>All Residents</u> %
Favor	12
Oppose	85
No opinion	<u>3</u>
Total	100
Number of Interviews	(1103)

When questioned about their position on the censorship of pornographic materials, opinion was evenly divided. Forty-eight per cent of the residents believed the state or local government should censor the sale of pornographic materials, while 47% thought people should decide for themselves what they will buy or see. However, while opinion on censorship was divided, most residents find at least some public displays of sexuality objectionable to them personally. The depiction of homosexual acts in the media or places of entertainment was most frequently judged personally objectionable. Only a small proportion (7%) reported none of the activities they were questioned about were objectionable to them.

Continued . . .

Behavior in Books, Movies, Night Clubs, Etc. That Are Personally Objectionable . . . .	<u>All Residents</u> %
Homosexual acts	40
Nude shows/performances	19
Partial nudity	16
Total nudity	15
Sex acts between men and women	14
Find all objectionable	50
None objectionable	7
Don't know	2
Number of Interviews	(1103)

APPENDIX:

## INTRODUCTION

This is a report on a survey of attitudes toward legalized gambling among public officials, conducted by the Gallup Organization, Inc. for the Montana Board of Crime Control. The survey measured the extent to which officials approved of legalized gambling, and their perceptions of the effects of gambling on the state. In addition, officials' attitudes toward social issues were also measured. The attitudes of officials were compared to the opinion of Montana residents expressed in the Gallup Survey of Residents' Attitudes Toward Legalized Gambling conducted in September, 1973.

## METHOD

The findings of this survey are based on the results of a mailed, self-administered questionnaire, conducted during November, 1973. The names and addresses of Police Chiefs, Sheriffs, County Commissioners, Mayors, Justices of the Peace, County Attorneys and Police Judges were obtained and a representative sample of each group was mailed a questionnaire. A total of 521 questionnaires were mailed of which 221 useable replies were returned to the Gallup Organization.

A copy of the questionnaire will be found at the end of this report.

## OVERVIEW OF SURVEY FINDINGS

### ATTITUDES TOWARD SOCIAL ISSUES

Most public officials rate the moral climate in Montana fairly or very high. However, compared to the population at large, they are somewhat less inclined to rate the moral climate very high, i.e., 8% of the officials compared to 17% of the public rated it very high.

Public officials' perceptions of the problems within the state in need of the greatest attention are similar to those of residents. However, here too, there are some notable differences. Mention of alcoholism, crime and lawlessness, and to a somewhat lesser extent degeneration of the family is more frequent among officials than it was in the resident's survey. In addition, officials are less likely than were residents to mention inflation, pollution, government corruption or educational needs as problems requiring attention.

When asked about the future, a third or more believed taxes and crime would be more of a problem in the next five years. Almost as many were of the same opinion with regard to welfare, alcoholism, and drug abuse. In contrast, about one in four officials thought government corruption, prison reform, drug abuse and pornography would become less of a problem in the next five years.

### ATTITUDE TOWARD GAMBLING

The majority of officials perceived that some (60%) or a great deal (16%) of gambling already exists within the state. Opinion among public officials was evenly divided between those who favor legalized gambling (47%) and those who oppose it (47%). In comparison to officials, the majority of residents (55%) favored legalized gambling. It is of further interest that police chiefs and sheriffs were less inclined than other officials to favor legalized gambling.

The forms of gambling approved of generally correspond to those approved of by the public as a whole. "Social" gambling, i.e., bingo and raffles are approved of by more than eight in ten officials. In addition, a majority approve of a state lottery and punch boards. Officials are less inclined to approve of most forms of gambling than are members of the public, the exceptions are a state lottery, bingo, raffles, poker clubs and betting on sports.

The majority of officials (55%) feel licensing and enforcement should be shared by both state and county governments, while 39% feel the state should have sole responsibility and 11% feel the county government should regulate gambling. Over eight out of ten (83%) are of the opinion that licensing should be strict, while 18% feel not too many restrictions should be imposed.

One in ten (10%) of the officials believe that legalized gambling will appeal very much to Montana residents and 42% feel it will appeal somewhat. In addition, opinion is about evenly divided as to whether legalized gambling will be good or bad for the state.

#### PERCEPTION OF CHANGES RESULTING FROM LEGALIZED GAMBLING

When questioned about specific problems which might become out of control as a result of legalized gambling, public officials more frequently than the public at large tend to feel each problem would become out of control. For example, two-thirds (67%) thought organized crime would become out of control, in contrast 51% of the public felt this way. It should also be noted that mention of organized crime becoming out of control was the only problem mentioned by a majority of the residents in the survey of their attitudes. Slightly more than half of the officials (51%) thought corruption in government would become out of control, and somewhat more than four in ten report degeneration of the family and crime in their county becoming out of control.

When questioned about the ways in which the state would change, slightly more officials thought the changes would be good for the state (46%) than felt they would be bad (44%). Among the most frequently mentioned positive changes were increased state revenue and more tourists. The most frequently mentioned negative changes were more undesirable people and a higher crime rate. About eight out of ten officials (79%) thought gambling would bring new people into the state, and among this group 57% thought the new residents would be a type they would not want in their state.

#### ATTITUDE TOWARD LEGALIZED PROSTITUTION

Officials' attitude toward legalized prostitution is similar to their attitude toward gambling, forty-three per cent favor legalized prostitution and 44% oppose it. Compared to residents as a whole, officials are somewhat more favorably disposed toward legalized prostitution, 39% of the residents were in favor.

APPENDIX B

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