

# Las Vegas should be thankful for 75 years of AB 98



## SOUNDING OFF

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On March 19, 1931, Nevada Gov. Fred Balzar made history when he signed Assembly Bill 98 into law. You probably didn't know it, but for Nevadans, this date is one that's about as important as they get.

You see, AB 98 gave us slot routes, neighborhood casinos and, most directly, the Las Vegas Strip. This law legalized commercial gaming in the state and made the its biggest industry possible.

If you're at all familiar with the date, you might have heard that it legalized gambling in Nevada. Strictly speaking, that isn't true. Gambling was legal in the Silver State from 1869 onward. Although there had been a strict gambling ban enacted in 1909, it was gradually rolled back.

By the 1920s, social gambling — games like poker, where players did not bet against the house — was entirely legal and many card rooms prospered. Even slots were allowed, although payoffs were limited to drinks,

cigars and less than \$2 in cash.

AB 98 is rightfully considered revolutionary because it legalized what back then was called "wide-open gambling," but what today's PR mavens would call "commercial gaming." This includes: house games like craps, blackjack and roulette; slot machines with large jackpots; and race-and-sports betting.

Within a few years, the definition was stretched to include the new games of bingo and keno. Since then, casinos have added some games (pai gow tiles, for example) and dropped others (faro most notably).

At the time, the bill was part of a broader economic-stimulus package (back then, they called it emergency-recovery legislation). In the same session, residency requirements for divorce were loosened. Lawmakers envisioned Nevada developing into a tourist paradise where wealthy vacationers enjoyed vigorous outdoor activities (particularly in the north), married and divorced each other, and stayed to watch a horse race and shoot a few games of craps.

Gambling was just a small part of the bigger idea.

We know now that gambling, instead, became the dominant force in Nevada tourism. Outdoor recreation has its devotees, to be sure, but they aren't nearly as numerous nor as deep-

pocketed as the state's gamblers.

Other states soon liberalized their divorce requirements, undercutting that lucrative trade. And live horse racing never caught on here. If the legislative class of '31 could see their state 75 years on, it would probably be amazed that commercial gambling came to such prominence here.

We owe those legislators a great deal.

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At the time, legal gambling in America was in almost imperceptibly coming back from the dead. A wave of Progressive reform had driven legal slots, bookmaking and lotteries out of most states in the previous three decades. Pari-mutuel betting, which liberated horse racing from bookmakers, was just catching on.

Most lawmakers would dismiss out of hand the idea that an entire state could survive, and even prosper, with

an economy reliant on tourism and gambling. But Nevada's politicians showed leadership by considering the possibility.

Without that openness, it is unlikely that many current Las Vegas residents would be living here today. While the city would have had some potential as a tourist destination, commercial gambling gave it, for decades, a nearly

unique hook.

Next time you've got a view of the valley, mentally subtract every casino building from the landscape. That, more than any words, should drive home the incredible importance of AB 98 to today's Las Vegas.

David G. Schwartz is director of the Center for Gaming Research at the University of Nevada, Las Vegas. His latest book is *Roll the Bones: The History of Gambling*. His Web site is [www.dieicast.com](http://www.dieicast.com).