

Assembly

MINUTES - WAYS AND MEANS COMMITTEE - NEVADA STATE LEGISLATURE
54TH SESSION MARCH 23, 1967

Meeting called to order by Chairman Glaser at 2:45 PM.

Present: Glaser, Mello, Bowler, Ashworth, Young, Harris, Tyson, Howard, Jacobsen
Absent: None

Also present: Bob Bruce, Howard Barrett, Dr. Ravenholt (for Welfare discussions)
Assemblyman Homer (for amendment to AB 446 presentation)

AB 446: Initiates in Nevada application of Title XIX of Social Security Act relating to assistance for medically indigent.

The committee discussed Dr. Ravenholt's presentation of March 20, 1967; also, that of the other interested parties, same date. Mr. Barrett distributed to each committee member a copy of the revised Welfare budget (revised March 21, 1967) and a Memorandum dated March 21, 1967 from his office on the same subject.

Mr. Barrett emphasized that the cost for this Title XIX would cost the State no more. The monies originally in the budget would be transferred to the Title XIX fund. The counties' tax would be levied at a rate of 11¢ of the ad valorem tax on each \$100 of assessed valuation. Any monies left over will revert back to the county. This would be any of the total monies - not just that from the county. The Counties are contributing to MAA; when the budget was prepared it was on the basis that they would not. So, they are taking the counties' money on this to offset that from the counties if they had stayed with the old MAA fund.

There was discussion on the cost to the counties. Dr. Ravenholt said the amount of money retained for residual medical care not covered by Title XIX will exceed what they need. The example for Clark County was given: their rate now reaches about 25¢; under Title XIX they would be levied 11¢ and it would cost about 5½¢ for those not covered, so their total would amount to 17 or 18¢ rather than the previous 25¢. The example for Washoe County was \$660,000 available for this program; the 11¢ going to the state for Title XIX would be \$419,000, so they would be left with \$241,000 to finance the medical program not covered by the state.

There was some discussion as to the effect of an additional sales tax; perhaps counties could benefit from it.

Mr. Young asked about the recommended amendments of Mr. Bauwdsness, the hospital administrator, who made a presentation at the hearing on March 20, 1967. Dr. Ravenholt said he had no objection to the change on page 2, line 16 and 17 from "pharmacy" to "pharmacists". It affected mostly nursing home patients. The change would allow greater flexibility. This would also make the wording the same as that on line 22 (dealing with a physician prescribing and furnishing the drugs).

Mr. Ashworth moved that line 16 and 17 on page 2 of AB 446 be amended by taking out the word "pharmacy" and inserting the word "pharmacist"

Mr. Mello seconded the motion.

Motion passed unanimously.

There was discussion on the other of Mr. Bauwdsness' proposed amendments. This dealt with page 4, Section 20, paragraph 2. "Such rates or fees shall reflect a reasonable cost for providing medical or remedial care".

Dr. Ravenholt said he had no objection to the federal medicare formula, but the formula they come up with would have to be approved by the federal government. It does not involve a flat rate, but varying ones. In answer to question, Dr. Ravenholt said that within the next 2 years they could work out an acceptable formula - could base it on the pattern of the federal medicare. Mr. Glaser pointed out that it would complicate things if we were to set a rate at this time. Mr. Young was concerned with the state picking up the tab if the amount the hospital charged was beyond the rate set or amount allowed. Dr. Ravenholt pointed out that Mr. Bauwdsness was talking about this rate as relative to the amount of services the hospital would provide for the tax dollar. It developed that the bill as written now would allow the board to provide the formula. There are 7 on the board and they are appointed by the Governor. Mrs. Tyson said there is a Senate bill out to increase this board 2 more. There was some discussion as to the types of hospitals concerned with this. A private hospital would not have to come under medicare if it so chose.

Mr. Young moved that AB 446 as amended be reported out with a DO PASS.
Mr. Ashworth seconded the motion.
Motion passed unanimously.

AB 337: Creates criminal identification and narcotics bureau.

Mr. Glaser said the action taken on this bill will reflect on the 2 budgets - page 11, Attorney General and page 292, Criminal Identification and Narcotics Program. The Senate killed a similar bill and put one extra man in the Attorney General's Office to take care of this criminal identification.

There was discussion on the hearing of March 20, 1967.

Mr. Harris spoke against having a narcotics man and a chief. He is in favor of just an identification man, fingerprinting.

Reference was made to the revised budget Mr. Young had prepared and distributed to each member of the committee. It averages out to a little less than what the Governor had recommended. Mr. Young explained that the \$1 in the budget was to authorize the acceptance of federal monies when available.

Mrs. Tyson left at 3:45 PM. Before leaving she went on record as being in favor of the Bureau as Mr. Young had proposed it. She said that although she is also against a proliferation of agencies, she recognizes the necessity of having this central bureau in light of the way the State of Nevada is constantly growing. She is against putting another man in the Attorney General's Office. She said the Chief hired for this central bureau should have good qualifications, versed in identifications and fingerprinting, et

Mr. Bowler said that in the areas most affected there is enough of a program with identifications, labs, etc., namely Washoe and Clark Counties. The problem is with the smaller counties. The philosophy behind the lessened request for one man and one secretary is to get the door open so it can be enlarged the next few years. He said that he was not against this proposal, specifically, but in light of the testimony at the March 20 hearing, it would create a need for further and future funding. He pointed out that the reason behind the request was that California had been carrying them by supplying needed information for the past 5 years because of their promise to set up their own. It seems that they thought this year they would get it, so cut them (Nevada) off.

Mr. Howard said that this cut off, plus the federal government taking away their "hot loop" away put them back to where they were several years ago.

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Mr. Ashworth suggested that instead of creating the central bureau, we put another man in the Highway Patrol whose function would be to receive and disseminate the reports required by the bill, rather than in the Attorney General's Office as suggested in the Senate bill. He questioned the necessity at the cost it would involve for the central agency when a line between the counties directly would do an adequate job. The Chief of the Highway Patrol would be the Chief mentioned in the budget and an extra man would be hired to do indentifications work. Mr. Ashworth said that inasmuch as 80% of the population resides in Clark and Washoe Counties which already have an indentifications and narcotics bureau, we would be duplicating the efforts of the job already being done just to cover the other 20% of the population. If we do go ahead and create this bureau we should go all the way with sufficient funding rather than spending the \$34,000 for the one man and secretary to come up with reports for future set up. Something in this area is necessary. We now cannot cooperate with other states.

There was some discussion as to the placement of the extra man, if the committee should decide to do it that way - whether the Highway Patrol or the Attorney General's Office. Mr. Bruce pointed out that this indentifications section could not operate with highway funds. It was only by stretching a point that the Highway Patrol was allowed under this

Mr. Barrett said that last Session an extra man was put in the Attorney General's Office for this same purpose. However, nothing has come of it, although the man is doing a good job in the work he is doing.

Mr. Jacobsen suggested there was confusion as to the duties of this central bureau. He agreed with Mr. Ashworth that it would be a good idea to have a proposed work plan drawn up showing more specific functions.

Mr. Young moved that AB 337 be reported out with a DO PASS.

Mr. Mello seconded the motion.

Mr. Harris voted no.

Mr. Ashworth voted no. (Reason: If we do create this bureau, the amount appropriated of some \$34,000 will do little good. If we want this we should fully fund it and have it really do some good.)

Motion carried.

Mr. Howard moved that the proposed amended budget supplied by Mr. Young be approved.

Mr. Bowler seconded the motion.

Motion passed unanimously.

Page 11 Attorney General

There was discussion as to the removal of the man put in last Session because he was not doing the job he was hired for - that of the central records function, etc. Mr. Bowler suggested that before we take action on this, we should give the Attorney General the opportunity to appear before the committee to explain what this man's present work involves.

Page 11 Attorney General budget held.Page 56 Nevada Commissioner for Veterans Affairs

Mr. Jacobsen said he has checked this out. Another man would be appointed by the Commission for Southern Nevada, and the extra travel allowance therefor eliminated.

Mr. Jacobsen moved that we go with the Senate.

Mr. Bowler seconded the motion.

Motion passed unanimously.

Page 49 Planning Board

Mr. Ashworth moved that this be held.

Mr. Jacobsen seconded the motion.

Motion passed unanimously.

A recess was declared and the meeting resumed at 4:30 PM.

Title XIX was brought up again. Assemblyman Homer appeared before the Committee to discuss the amendment he proposed for AB 446. On page 2, Section 8, paragraph 7, it would add another category to the present ones listed [(a)Dental services; (b) Optometric services and glasses; and (c) Home health services] that of (d) chiropractic services. His justification for this is that under the federal plan it is included. He said that it would not involve any more money.

Assemblyman Homer left the meeting after this presentation.

Mr. Glaser read a letter stating that the Medical Association is against this inclusion. NIC was cited as an example. Average per doctor was expense of \$2,806 - osteopath, \$3,321 - MD, and \$7,547 chiropractors. Therefore this inclusion would definitely cost additional monies.

There was no change in the action taken previously on AB 446.

SUBCOMMITTEE REPORT: Mr. Ashworth and Mr. Jacobsen - Tax Commission

Mr. Ashworth said they had talked with Bill Smith, Administrator and Jake Noel, Executive Division. Everything in the fuel and liquor divisions are in good order. Criticism as to there being much to be desired lead to the Legislative Bureau's fiscal audit. As to the fuel division, 85% of all the fuel comes in through pipe line; 15% is trucked in, so easily accounted for. However, they could check with the Highway Patrol to check on any possibly being "bootlegged" in, but, if any, this would be a negligible amount. Mr. Smith and Mr. Noel expressed the need for passage of SB 50.

The discussion with Ernie Newton revealed that a lot of things brought out in the audit report were true. However, Mr. Jacobsen and Mr. Ashworth felt that Mr. Newton was doing much to correct many of these things; however, much still needs to be corrected, especially in the sales tax division. There is poor control on the opening of mail (3 people involved in this task) and sometimes remittances are contained therein. Also, there is much laxness in affixing late charges.

The subcommittee felt that the entire Tax Commission is overloaded with administrators. There is 1 administrator for every 6 persons. Mr. Newton is going to recommend to the Tax Commission that some of these administrators be dispensed with and their jobs combined.

Mr. Jacobsen substantiated Mr. Ashworth's report on the fuel tax division. Everything there is justified. Pipe lining allows a definite check; and there are 2 invoices for every truck delivery affording a good check on this. He would suggest a possible spot check for possible bootlegging.

There is presently a 5 man Tax Commission. This commission, it is recommended, should be eliminated and set up a 3 man permanent, salaried commission - similar in set up to the Public Service Commission. This would eliminate an estimated \$50,000 and cost a possible \$18,000 in 3 added secretarial type positions.

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Presently they have trouble in calling the scattered group together when a decision is called for. The result is that the staff is making too many of the decisions without going to the Tax Commission. Especially the larger tax payers' assessments should be presented to the Commission for study and actual assessment. Therefore, we feel the permanent, salaried 3 man commission would solve this problem and also any inequities in tax assessments that may be resulting from present practices.

Mr. Newton suggested the divorce of the audit from the collection division. The sales tax division is a little lax, but then they are trying to keep up public relations, too. As to the mail, Mr. Jacobsen said there is a question of whether things are mailed on time. Because of the 3 people involved in opening the mail, in some instances it is stamped into the office but this is not compatible with the postage stamping. In some cases a leeway is justified, but

The audit report showed that they had no book of rules or manual to follow. They do have one, but how good it is or whether or not they follow it is another question. Also, it appears that many of the rules and regulations have been verbal. There should be a study made on this to see that a decent manual and sets of rules are established in print. This is especially necessary in the sales tax division. Five people collect the use tax on automobiles in three locations. The Motor Vehicle Department does not collect the tax. These extra "collectors" create a problem spacewise. The office in North Las Vegas is handling very few registrations and does not justify the large amount of money spent on it. We would recommend that the Tax Commission look into this problem because since the Motor Vehicle Department put this registration office in North Las Vegas it is necessary for the Nevada Tax Commission to put a person down there to collect the use tax.

Also tightened should be the present practice of not going back on their bond for bad checks but letting the bad checks continue.

Mr. Ashworth said there are many potential tax items not now under collection, as was brought out in the audit report. Returnable containers entering the state should be assessed a use tax, but are escaping this at the present time. There is some question as to the legality of this, the Tax Commission saying yes it could be collected; the Attorney General's Opinion being no. There should be an explicit definition made on this, possibly some type of legislation drafted to cover it.

Another problem area was cited which may require a legislative act. Certain businesses have been reducing their taxable sales by the amount of their bad debts and repossessions. This is not a credit on sales tax and should not be allowed. Mr. Jacobsen and Mr. Ashworth looked into this matter and were advised that the Commission wanted to stop this and were attempting to do so.

In Mr. Ashworth's opinion, the Tax Commission Department has been a little weak and lax on collections of monies but Mr. Newton is really going to try to plug up some of these holes and correct some of the inequities. He will be submitting his report and recommendations by next week.

Mr. Jacobsen said that with some delinquent accounts, an attorney's legal opinion is required as he feels the security for the sales tax, for many people, is far below the required amount.

It is the subcommittee's feeling that the facilities are not good as far as the Chief is concerned and especially in the sales tax division. They agreed with the Department that the auditing and collection divisions should be separated to a certain degree and this would be included in Mr. Newton's report, along with the incorporation of the recommendations that Mr. Ashworth and Mr. Jacobsen left with the Department heads and

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Mr. Newton.

Mr. Barrett commented on the conflicting opinions as to the returnable containers use tax. He said the state tax law has been approved by the people so doubt this can be changed by legislative act other than possibly a Resolution.

Mr. Glaser commended Mr. Jacobsen and Mr. Ashworth on their comprehensive report.

Mr. Ashworth said their recommendations along with Mr. Newton's report will be in by next week. He also commended the audit department of the Legislative Bureau for their audit report.

Meeting adjourned at 5PM.

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE, 54TH SESSION

AGENDA

THURSDAY, March 23, 1967

MORNING

No meeting

AFTERNOON (2:00 PM)

CONSIDER BILLS

AB 446	Welfare	TITLE XIX
AB 337	Criminal ID & Narcotics.	

FINALIZE BUDGETS

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Page 292	Criminal ID & Narcotics
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Page 51	Tax Commission (Committee Reports)

REVIEW BUDGETS - COMMITTEE REPORTS

Pages 327 - 358	Department of Conservation	-----	Roy Young
Pages 364 - 389	Department of Agriculture	-----	Roy Young