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NEVADA LEGISLATURE - 54TH SESSION
SENATE COMMITTEE ON
FEDERAL, STATE, AND LOCAL GOVERNMENTS

Minutes of Meeting Held
February 7, 1967

The fourth meeting of the Senate Committee on Federal, State, and Local Governments was called to order at 11:10 a.m., February 7, 1967, in Committee Room 50, State Capitol, by Committee Chairman Senator James I. Gibson. 2/1

The following committee members were present:

Senator Gibson, Chairman
Senator Bunker
Senator Farr
Senator Hecht

Absent: Senator Alleman
 Senator Monroe
 Senator Young

Also present: Senator Procter Hug, Sr.
 Mr. Frank Daykin of the Legislative Counsel Bureau
 Mr. Russ McDonald, Legislative Counsel

Senator Gibson asked the committee to consider the following:

S.J.R. No. 5: Conforms apportionment of Nevada Legislature to requirements of United States Constitution.

With respect to reapportionment, this bill conforms the clause in the constitution to the court decisions by including "Senators" as well as Assemblymen.

After discussion, wherein Mr. Daykin and the committee members felt this approach was preferable to providing for automatic reapportionment by a third party, Senator Bunker moved that the resolution be reported out of committee with a do pass recommendation. Senator Hecht seconded the motion, and it passed unanimously.

S.B. No. 6: Increases interest limits and authorizes discounts on certain public securities to meet present market requirements.

Mr. McDonald explained that, due to problems encountered by the counties in marketing bond issues during the tight money market, a survey was made, resulting in this bill. This measure goes to every political subdivision, except the state, which has statutory authority to issue bonds, where the interest rate is limited to less than 6%. This bill proposes to raise

the interest rate to 6% maximum. This bill does not affect political subdivisions which already have authority to sell bonds at an interest rate in excess of 6%.

Mr. McDonald explained that a suggested amendment to this bill would raise the so-called "stale" period for selling bond issues from three to six years. There is no constitutional limitation, but there is a statutory requirement, that once the people authorize a bond issue the issue must be sold within three years. The amendment would double this period of time.

It was pointed out that passage of this bill could prevent situations where political subdivisions, being bound to a lower interest rate and the three-year selling period, are unable to dispose of bonds and must go again to the people, on the ballot, for fresh authorization. Mr. McDonald stated that the average cost of a bond election is \$25,000 - \$30,000. He said this would also knock out limitations in the statutes with respect to discounts and commissions and par, since the main interest of the taxpayer is not these individual items but the net average interest cost.

S.B. 87: Permits fiscal analyst to examine accident reports made to Public Service Commission.

This bill was discussed at the February 2 committee meeting.

Senator Hecht moved that the committee report this bill out with a do pass recommendation. Senator Farr seconded the motion, and it passed unanimously.

S.B. 89: Permits state administrative officers to mimeograph reports or other published matter.

This bill was discussed at the February 2 committee meeting.

Senator Bunker moved "Do pass." Senator Hecht seconded. The motion passed unanimously.

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S.B. 90: Reserves certain space in Capitol Building for legislative use.

This bill was discussed at the February 2 committee meeting.

Senator Farr moved "Do pass." Senator Hecht seconded. The motion passed unanimously.

A.B. 47: Applies 10% county debt limitation to general obligation bonds issued under local or special laws.

Mr. McDonald stated that in the 1965 session a bill had been passed authorizing counties to issue general obligation bonds. Prior to that, each issue had to be authorized by the Legislature. The law also established a 10% county debt limitation, but did not make clear what the 10% debt limitation applied to. This bill clarifies that the 10% applies to the entire indebtedness of the county for general and special assessment bond issues. It does not apply to revenue bonds.

Senator Gibson requested that Mr. McDonald make available to each committee member a copy of the survey the Legislative Counsel had made with respect to the present total bonded indebtedness of each county in the state, the present assessed valuation of taxable property in each county, and the allowable 10% of total assessed valuation for each county.

Senator Bunker moved "Do pass." Senator Farr seconded. The motion passed unanimously.

A.B. 52: Allows State Controller to draw warrants for inactive deposits.

Mr. McDonald explained that the 1965 act setting out the State Controller's powers with respect to drawing warrants did not go far enough, that the Attorney General had ruled this act conflicts with another statute insofar as inactive deposits are concerned. Hence, this amendatory bill is presented to allow the State Controller to draw warrants for inactive deposits.

Senator Bunker moved "Do pass." Senator Farr seconded. The motion passed unanimously.

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S.B. 6: Senator Gibson called for a vote on this bill, discussed earlier in the meeting. Senator Bunker moved that the bill be amended as discussed, and do pass as amended. Senator Farr seconded. The motion passed unanimously.

Senator Gibson then called on Mr. McDonald to give the committee information on three proposed constitutional amendments which the Legislative Counsel had prepared for possible presentation by this committee. The three measures relate to legislative sessions and compensation and expenses of legislators. Chairman Gibson pointed out that there is some conflict in the three bills, which would need to be corrected if all three measures were introduced by the committee.

The first bill would set up annual sessions of the Legislature-- 60-day sessions in odd years, and 30-day sessions in even years.

The second bill would follow the California system as to compensation and expenses of legislators, wherein the constitution says that travel, living expenses, and compensation of legislators shall be prescribed by statute, with two-thirds of the legislators concurring. If this measure passes the current session and the 1969 session and is approved by the people in 1970, then in any statute adjusting compensation, the adjustment cannot exceed 5% a year increase from the salary in existence at the time of approval of the measure by the people. At the 1969 session, anticipating the adoption of this amendment by the people, the Legislature could pass a statute setting compensation and expenses at a reasonable amount, to become effective when and only if the amendment was approved by the people. Then at the 1971 session, as much as a 10% increase in compensation, over the 1969 amounts, could be provided by statute.

The third bill is what California originally had. This would be an alternative to the second bill, and would remove the limitation on travel and living expenses, so that, in effect, a raise could be effectuated through these items rather than through the daily compensation.

Senator Farr moved that the committee introduce the first bill, setting out annual sessions and the length of the annual sessions. There were no objections.

Senator Bunker moved that the committee introduce the third bill, increasing allowances for expenses. There were no objections.

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By general agreement, no committee action was taken with respect to introducing the second bill, which would increase legislative salaries.

Mr. McDonald stated that, with respect to securities laws, there is a University of Nevada securities law and a State securities law, on the books. His office has prepared a so-called "Local Governments Securities Act". This is boiler plate and would authorize cities to issue bonds only under their own charters or under special law. Mr. McDonald stated this act would be a part of the bonding package.

Senator Bunker moved that the committee introduce this bill. Senator Farr seconded the motion, and it passed unanimously.

Senator Gibson suggested that it would be well to have hearings on the local bond bill and the amendments to the bond interest and commission bill.

Some discussion followed on the problems involved in disparity of salaries of county elective officials, especially when such bills are referred to a Select Committee of the Senator or Assemblymen from the county involved, as is the present practice. Senator Gibson suggested he would favor referral to a standing committee, a suggestion endorsed by Senator Farr. However, no committee action was taken in this respect at the meeting.

There being no further business, the meeting adjourned at 12:15 p.m.

Respectfully submitted,

Louise Glover - Secretary

I certify that the foregoing minutes are correct.

Senator James I. Gibson - Chairman