

## Assembly

### MINUTES OF MEETING - WAYS AND MEANS COMMITTEE - NEVADA STATE LEGISLATURE 1968 SPECIAL SESSION FEBRUARY 6, 1968

The meeting was called to order by Chairman Glaser at 10:30 AM in the Ways and Means Room.

Present: Glaser, Mello, Webb, Bowler, Ashworth, Young, Howard, Tyson  
Absent: Jacobsen

Budget Director Howard Barrett reviewed the budget which had been distributed to members of the committee. He said that his figures were more optimistic than those given by the Fiscal Analyst because he had the January tax collections' figures which are worked into his figures.

Page 1 General Fund Cash Balances, Estimated Revenues, and Appropriations  
Mr. Barrett went over these figures noting that the expenditures for this fiscal year will be \$67,476,660 and there will be a net decrease to the General Fund of \$3,322,872. 4.2 million dollars will come back as reversions in the 5 million dollar figure. Mr. Barrett said they are asking the Special Session for 1 plus million dollars. There is estimated an amount of \$5,082,446 for the end of the biennium.

Page 2 General Fund Revenues by Major Sources  
This is just a breakdown of the various sources of revenue.

Page 6 Property Tax  
These estimated figures do not differ too much from those of the Fiscal Analyst. There is a decrease in the state's share because of the decrease in net proceeds of mines.

Page 7 Sales Tax  
The first four lines are just the state's 2% sales tax, reflecting a decrease of 3%; the 5% increase is shown for the next quarter. Mr. Bruce does not have the figure of 5.8% increase over the same quarter last year. Because of the two quarters with 5% increase, we have to project that next year will show a 5% increase also, and make a conservative prediction of 3% for next year. The Distributive School Fund figures were gone over. The out-of-state collections go directly to the State Distributive School Fund and the in-state goes to the county of origin. Mr. Barrett noted that this does not come to 50% of the 2% figures, but rather 45%. The difference results from the number of contracts entered into before July 1, so paid off at 2% rather than the 3% rate. This will eventually get to 50% and the total should be \$24,417,638. This represents 3 quarters collection and an estimate of 1 quarter.

Page 8 Gaming Taxes  
These figures were reviewed.

Page 9 Revenues Collected by Gaming Commission  
These figures show collections. The reason for the smaller increase is because of the major casinos changing hands this quarter and thus do not have to pay the final quarter tax. The new owner does not have to pay in advance until in operation for one complete quarter. Under the license fees, the March 31 figure is a 98% actual figure because the Gaming Commission gave the actual figures as of February 2 showing a 12½% increase. The \$4,350,000 estimate for final collections show an increase

of 7.8% over last year, so an estimate of 6% for next year seems reasonable, although it could be higher. This is gross percentage tax so only one increase in rate is included in this. That is the increase in rate because of the 5 to 5½% increase in category. At the same time it took out the small operators, etc. This took away about \$227,000 from this tax so the only increase based upon the rate increase is \$180,000. The rest of the increase in here is a growth increase. Under the License Fee had to come the administration costs. \$20,000 is the estimate for the Gaming Division Mfg. Lic. Under the Casino Entertainment third figure, only \$52,000 has not come in. However, this is delinquent and will come in so there is a projection of 12%. Mr. Young asked if all the annual state license fees are distributed back to the counties. Mr. Barrett replied that they are except for administration. The general fund gaming tax does not agree with the beginning figures because this is just the amount collected by the Gaming Commission. The counties are collecting taxes, 25% of which comes to the state - \$1,130,000, which will be added into the figure on this page and then this should be the amount in the general fund projection at the beginning.

Meeting recessed at 11:05 AM; Called to order again at 11:45 AM.

#### Page 11 Cigarette Tax

These figures show what the cigarette tax is doing, if the remaining months do the same as last year.

#### Page 12 Liquor Tax

These figures, along with the cigarette tax figures, are fluctuating. Mr. Mello commented that according to a report by the federal government beer should be the biggest seller. Apparently this is not so in our state, even though it may be nationally.

#### Page 13 Real Estate Transfer Tax

These figures are the same as those of Mr. Bruce. They are back on Page 2 and in more detail on pages 4 and 5.

#### Pages 14 & 15 Economic Indications & Assessed Valuations

These are some economic indicators that should have an effect on the state's general revenue. The percentages show the employment rate is coming up, indicating the economy beginning to move at a faster rate. The Nevada Business Index shows a trend of increasing rate. The airplane passengers chart on page 15 shows the rates of passengers arriving in planes and may relate to the decrease in highway traffic flow on page 14.

#### Page 16 Estimate of Distributive School Fund Need

The ADA estimate for 1968-69 is approximately 4% higher than the preceding year. The Douglas County and Eureka County adjustments are because they have a high evaluation for ADA which is greater than their basic need. A \$398,279 figure was mentioned as being the out-of-state 1% sales tax fund. Also mentioned was the fact that the reversions are made at the end of the biennium. Mr. Young asked about the proceeds of mines; Mr. Barrett said that the assessed valuation dropped because of the copper strikes.

Meeting adjourned at 12 noon.