

Assembly

MINUTES - WAYS AND MEANS COMMITTEE
NEVADA STATE LEGISLATURE - 56th SESSION - MAR. 2 1971

Chairman Young called the meeting to order at 3:00 P.M.

Present: R. Young, Howard, Capurro, Hafen, F. Young, Brookman, Mello, Schofield, Swackhamer, Hilbrecht, Lingenfelter

Absent: None

Guests: Earl Oliver, Fiscal Analyst; John Dolan, Budget; Merle Snyder, Ne. Council on Arts; George Colby, Meyer Cord Co.; Francis Warden, Nevada Council on Arts; Dick Morgan, Nevada State Educ. Assoc.; Don Perry, Nev. State Educ. Assoc.; Dr. Guinn, Supt. Clark County School Dist; Howard Hill, Dir. DMV; Jack Williams, Dir. Fiscal Services, DMV; Jim Lambert, Law Enforcement Chief DMV; Leonard Winkleman, Internal Auditor, DMV; Ron Sparks, Budget; J. Anderson, Nev. State Library.

REVENUE STAMP DEPARTMENT

Mr. Colby of Meyer Cord Company was present to discuss a new type of stamp on cigarettes, called a fuse on stamp, for collecting revenue on cigarettes. He asked the Committee that funds be restored to the Tax Commission's budget in the amounts of \$40,957 in first part of biennium and \$43,414 in second half of biennium respectively for this purpose.

Mr. Colby stated that the fuse on stamp would cost Nevada approximately \$31,220, and additional money requested by Tax Commission would be for administration purposes, etc. He stated that the premium rate is less than 1/3 of 1%. Cost of stamps is 35¢ per 1,000 stamps. Tax Commission would handle this through the bank.

He stated that metered stamps result in a loss of revenue for the State and a loss of business for distributors. He stated that Illinois lost 10-12 million dollars through a scandle involving cigarette stamps. Due to counterfeiting, 7 states have barred the meters completely. Within 6 months after barring the metered stamp, the State of Washington gained an additional \$1,080,000 in revenue. In addition, he stated that metered machines could be tampered with.

Meyer Cord leases automatic machines to wholesalers for \$75.00 a month and semi automatic machines \$53.00 per month. The State would furnish the stamps.

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PAGE 159 - NEVADA COUNCIL ON ARTS

Mr. Snyder covered the purposes of the Council. Council is requesting funding for an office. Refer to handout.

New Positions - An Executive Director is requested by the Council to coordinate programs throughout the State. Also position of a Senior Clerk Steno is requested.

Mr. Snyder stated that in this past year over \$75,377 dollars in endowment funds were made available to support various projects. In addition, he stated that they have handled over \$85,000 in Federal funds this past year. Endowment monies must be matched on a 50-50 bases.

Federal money anticipated for next biennium is \$100,000 and \$125,000 respectively.

Travel - Request appropriation for in-State and Out-of State travel.

Mr. Snyder stated that the State of New York appropriated \$18,000,000 plus an additional \$2,000,000 on direct grants for their Arts Council. He mentioned that there are presently only 7 States that do not have an Executive Director and that some of these 7 are getting an appropriation for one now.

Council requests appropriation of \$33,380 for first half of biennium and \$30,880 in second half of biennium. He mentioned that \$5,000 could be applied towards the administration of program from grants.

Mrs. Warden was present to testify how effective the Arts Council has been in presenting programs to young audiences throughout the State. She mentioned the need for an Executive Director who would make it possible to take the arts to the population of the State.

In answer to Mr. Howard's question, Mr. Snyder stated that the position of Executive Director should be unclassified.

Mr. Capurro thanked Mr. Snyder for the excellent job that he has done and stated that his efforts have been appreciated.

PAGE 107 - NSEA

Mr. Morgan presented to the Committee a handout on Nevada sales tax estimates and Statewide basic support at various rates in increase. In regards to the distributive school fund Mr. Morgan stated that there is a 16% basic support increase for the biennium of \$22,632,000. An urban factor is computed into the 16%. He stated that there was a need for a higher basic support during the second year of the biennium.

He stated that the urban factor is a pressing need. Also, a different support level for transportation is of concern. Mr. Morgan referred to A.B. 155 which calls for 100% support of transportation through basic support which would be \$3,000,000. He expressed his desire to talk to the Education Subcommittee in regards to this matter at a later date.

Mr. Morgan remarked on A.B. 31 which is a special education bill. He stated that currently we are spending in excess of \$3,600,000 on special education.

In answer to Mr. Hilbrecht's question as regards to a bill in the Assembly, Mr. Morgan stated that in past year because of estimates, approximately \$8,000,000 was reverted to State, and presently schools were suffering because of this reversion. Mr. Hilbrecht in referring to bill stated that it requires all funds that get into district to be syphoned through the formula, and added that it would correct some inequities.

Mr. Swackhamer questioned Mr. Herrick as regards to the sales tax estimates. He asked Mr. Herrick the estimates they used for their graph and how they arrived at their estimates (refer to handout Nevada Sales Tax Estimates).. Mr. Herrick cited Page 1 of handout. Mr. Swackhamer remarked that they had used the last two years as a base and that these were the only two years that we have had an increase in sales tax revenue. He stated that these years do not have any relation to the base. Mr. Herrick stated that the projected tax increase is not equal to the inflationary effect that is taking place. He added that these estimates include all of the factors which will be involved in the retail sales in the state. Mr. Herrick also mentioned

that estimates shown on Page A5, Executive Budget, are comparisons with what happened in the previous year. Mr. Swackhamer stated that they should have based their estimates on what happened during the last ten years, and felt that it was incorrect to chose a couple of good years to base an analysis on.

In answer to Mr. Swackhamer's question if he would agree with estimate of ADA of last biennium, Mr. Herrick stated that it was too high. Mr. Herrick added that when you over estimate ADA and underestimate revenue, there will be a reversion.

Mrs. Brookman asked Mr. Herrick if funding of Community College would take away funding for NSEA. Mr. Herrick replied that it could.

Dr. Guinn stated that he would like to come back next week for a comprehensive discussion on the distributive school fund. He presented the Committee with a Clark County Financial Report.

PAGE 412 - DEPARTMENT OF MOTOR VEHICLES

In Mr. Hill's opening remarks, he stated that they can live within the budget as recommended by the Governor.

Driver's licenses have more than doubled due to the class driver's licenses; presently there are 5 different classifications of driver's licenses depending upon the type of vehicle you drive.

PAGE 414 - D.M.V - DIRECTORS OFFICE

New Positions - Mr. Hill stated that they request the position of a Public Information Officer II; presently they do not have anyone to do public information work. Previously \$5,000 appropriation had been approved for both years of biennium for Advertising and Public Information; agency wants to delete this and transfer total for biennium of \$10,000 into salary of Public Information Officer.

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PAGE 417 - HIGHWAY SAFETY PROGRAM

Advertising and Public Information - Mr. Hill stated that they want to reinstate a total of \$2000 to this line item, plus \$100 as recommended by Governor would be a total of \$2,100. This would be funded 80% by federal funds.

Mr. Dolan remarked that he would supply the Committee members with a new budget page.

PAGE 420 - ADMINISTRATIVE SERVICES

New Positions - Agency requesting position of a Store-keeper. New position of student requested; student would help file citations.

Communications Expense - Expenses included here include postage and telephone; postage will be increased in May.

PAGE 422 - AUTOMATION

New Positions - Systems/Methods Analyst I and a Computer Programmer are requested by agency.

PAGE 424 - DRIVERS LICENSES

New Positions - Total of four examiners are requested - one in Las Vegas, one in Reno, and two requested for Winnemucca. These additional examiners are needed because of additional time being spent on examinations of class driver's licenses. Presently they do not have an office in Winnemucca.

PAGE 427 - LAW ENFORCEMENT

New Positions - Field Examiner for Northeast part of Nevada is requested (he deals with wrecked, abandoned vehicles that need to be processed). Radio Technician in Elko is needed to service the Northeast area. A total of four Radio Dispatchers are requested for the Elko area; agency wants to transfer dispatching in Elko and they need 24 hour operation. Four Senior Clerk Typists are needed for the Carson City, Reno and Las Vegas areas. Accident report load is on the increase and agency requests additional typists to handle load.

Discussion on use of portable dictating equipment in patrol cars. Mr. Lambert stated that they had tried this type of equipment but it wasn't satisfactory.

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Committee members asked Mr. Hill if he had any priority items which did not receive funding. Mr. Hill replied that they had wanted an automated switching center for teletype tapes; this would cost \$195,000. Also he mentioned that they had wanted to update a radio communications system throughout the state. They would need two mountain top stations for a microwave system. He stated that matching would have been available for this. Mr. Hill stated that the above two items brought about the major differences between what the agency requested and what the Governor recommended.

In addition, Mr. Hill stated that they had hoped to have 4 24 hour dispatchers in Reno, but this had been deleted by Governor. Agency had also requested some additional clerical help, but this had been deleted by the Governor. He stated that they were 60 days behind in typing reports in the Las Vegas area.

PAGE 431 - MOTOR CARRIER

New Positions - Motor Carrier Field Investigator is needed in the motor carrier audit section.

Inventory Purchases - Increase is due to a new reflectorized plate; initial expense would only be in first part of biennium.

PAGE 433 - REGISTRATION

New Positions - Two inspectors requested. Three and a half Senior Clerk Typists would be used on a temporary basis during rush periods in June-July and December-January. Two additional Senior Clerk Typists would be utilized in Carson City area.

Mr. Hill stated that they were presently operating with unfilled positions because of cuts in budget.

PAGE 436 - HIGHWAY PATROL SPECIAL FUND

New Positions - Five new highway patrolmen requested in 71-72 and ten requested in 72-73.

Discussion on number of highway patrolmen that could be hired during a fiscal year. Presently there is a bill in the Legislature which would remove restriction on number of patrolmen that could be hired during a fiscal year as long as money was available. Presently they are locked into 91 positions. Section 481 states that 78 of their positions will be patrolmen out of 104 people.

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This would prevent the firing of men on June 30th and rehiring them on July 1.

The State Library was rescheduled for 2:00 P.M. March 3rd, due to a lack of time.

Being no further business, the meeting adjourned at 5:30 P.M.

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AGENDA - MARCH 2, 1971 - TUESDAYAFTERNOON

<u>TIME</u>	<u>AGENCY</u>	<u>PAGE</u>	<u>REPRESENTATIVE</u>
2:00	Nevada Council on Arts	159	M. Snyder
2:30	NSEA		Mr. Morgan
3:00	DMV	412	Howard Hill
3:30	State Library	164	Joe Anderson