

MINUTES

10

Assembly
TAXATION COMMITTEE
January 30, 1973

Members Present: Messrs. May Craddock
Smalley Huff
Broadbent Demers (late)
Fry (late) McNeel
Bremner (late)

Members Absent: None

Guests Present: Messrs. Frank Groves, Fred Wright, James
Banner, Ed Klatt, Homer Rodriguez

The meeting was called to order by Chairman May promptly at 8:00 a.m. on January 30, 1973. He requested that since Dr. Broadbent had been a member of the Fish and Game Commission that he handle introductions of Mr. Frank Groves, Director of the Nevada Fish and Game Commission, and Mr. Fred Wright, Administrative Assistant. Dr. Broadbent also noted that Mr. Banner, a member of the Ecology Committee, and Mr. Ed Klatt, Dr. Broadbent's Legislative assistant, would sit in on the meeting.

Chairman May explained the primary role of the Taxation Committee to try and endow their basic working knowledge of the revenue. He also noted that the Fish and Game Commission is primarily self-supporting and provides a great source of revenue.

Chairman May then requested, as a trial effort, whether the committee wished to hold questions until after the presentation as was done previously or to allow questions at any time during the presentation. Mr. McNeel suggested it be left up to the speaker, but the committee decided to allow questions any time during the presentation.

The meeting was then turned over to Mr. Frank Groves, who read the basic law that covers the revenue finances of the Fish and Game.

Mr. Groves then explained the origin of the Interest Fund Account which, unlike any other state agency, allows revenue from fees for licensing to be deposited with interest for use in emergencies. The money is not diverted to any other source which refers back to the State. Therefore, this account enables the commission to participate in the Federal Aid Act. Mr. Groves also stated that the administration of the commission is a great job which entails licensing, tags, stamps, and permits. There were approximately 208,000 of these in 1972.

Under the Nevada Boat Act, 21,000 boats were registered and 3,000 title changes were handled. License sales are the greatest source of income. Mr. Groves went on to explain how the commission was able to participate in 1942 in the Federal Aid Program whereby monies are appropriated on the basis of 50% on the land use and 50% on the number of licenses sold. He then stated there is an objection to exempt licenses because they do not count for the Federal Aid reimbursement. The Federal Aid reimbursement, even though it can be only used for improvement of wildlife habitat, purchase of land, or research, is very beneficial to Fish and Game.

Mr. Groves explained the different sources of income to Fish and Game. Examples are sales of products, magazine subscriptions, pasture rental, and farm produce which is the biggest source of income. Gifts are also a primary source. For example, Clark county has donated a grant to match with Federal Aid funds for research work on Lake Mead. Washoe County has donated \$5,000 to match with federal funds to start work with Washoe Lake and the Fleishmann Foundation has also donated money grants. Legislative appropriations, two in 24 years, the Fish and Game Reserve Fund, and the motor boat fuel tax, which goes primarily for boating enforcement, also provide income.

Mr. Groves handed out copies of a review of the Fish and Game Commission's funding and the nation that shows the dedicated funds.

Mr. Smalley wondered if fishing has improved since the mid 1950's. Mr. Groves stated that wildlife is up and down and is generally a put and take operation.

Mr. Demers asked if Walker Lake is dropping and if the marshes are taking the water. Mr. Groves informed him that the water the marshes take sinks right down and is not actually lost. This water must be allowed based on old water rights. Mainly because of the demand for water and the California take out the lake is on the lowering trend. Mr. Fred Wright added that deep wells for supplemental water were constructed in Mason Valley to try and lower the water take out.

Chairman May explained to the committee that the Ecology Committee will go into depth concerning the Fish and Game Commission and that the Taxation's main interest is the tax involvement.

Mr. Bremner inquired as to where the fine revenues are placed. Mr. Groves indicated that the revenue goes back to the schools, but that legislation is in process to direct the money back into some type of fish and game work.

Mr. Craddock wondered if the federal excise tax rebate is based on the land. Mr. Groves explained that it is based on the number of licenses sold and therefore a reduction in the cost of the licenses would not effect the federal rebate as would an exempt license because the number sold would still remain the same.

Mr. Groves then informed the committee about how the commission members are selected. Previously one commissioner was elected from each county and from these members a five member executive board was selected. This was thought to be too many members so it was requested that it be reduced. The result was, starting in 1969, the Governor would appoint one from each county. The members selected from Washoe and Clark would be automatically on the nine member commission. The other six members would be selected by caucus from the other 15 members. The remaining nine members would then return to be chairman of their individual counties.

Mr. Craddock inquired as to the comparison of the elk population to what the range could support in the Mount Charleston area. Mr. Groves explained that the range has a very low carrying capacity mostly because of the lack of winter range for the wildlife. He added that the fire of 1926 helped to bring the vegetation to a level accessible to the wildlife and consequently it is now on the upswing.

Chairman May asked Mr. Groves what type of legislation the Fish and Game has in process. Mr. Groves stated that there was one bill to modify the license structure, and it will be covered by the Ecology Committee.

Mr. Fred Wright informed the committee that the Fish and Game and the federal government has had a very cooperative relationship and that the Federal Aid Program has worked out very well for the past 20 years. Therefore, the Commission wishes no change in that area.

Fish and Game does not feel that the sportsman should have to pay the entire bill. There is little money for capital improvements and so the Governor has suggested in the overall budget \$18,000 for the start of a non-game fund to be used for all parts of the fish and game process.

Chairman May then reminded the committee of the bills to be discussed at the February 6th meeting. (A.J.R. 23 and A.B. 99-106) He also mentioned that Don Mello, Ways and Means Committee, and the Taxation Committee will be introducing a bill for federal fund expenditure for the old aged. It will be referred to the Taxation Committee for public hearing and then to Ways and Means for disposition.

Chairman May stated that the Committee would consider most bills collectively for determination and for public discussion.

There being no further business, Mr. Demers made a motion to adjourn, seconded by Mr. Smalley and carried. The meeting was adjourned at 9:04 a.m.

Respectfully submitted,

Cindy Benjamin
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Assembly Attache