

MINUTES

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Assembly

WAYS AND MEANS COMMITTEE - NEVADA STATE LEGISLATURE - 57th SESSION

April 13, 1973

Meeting called to order by Chairman Mello at 7:05 AM in the Ways and Means Committee Room.

PRESENT: Chairman Mello, Vice Chairman Schofield, Messrs. Dreyer, Capurro, Robinson, Howard, Smith, Prince and Hafen.

ALSO PRESENT: John Dolan, Randy Webb and Ron Sparks.

Motion to approve the Minutes of the evening meeting of April 11, 1973, made by Mr. Howard. Second by Mr. Robinson. Motion passed.

Mr. Howard Barrett testified on the bond issue for the State Park acquisitions. It is the intention of the Senate Finance Committee that the money to be used for the acquisition of park property be taken out of the bond issue.

It will be necessary to appropriate \$75,000 for acquisition costs which are needed before the bonds are available. It will also be necessary to round off the bond issue amount to \$1.8 million. Appropriation of \$15,000 for bond commission to sell bonds. These sums should be added to the general appropriation act.

On a \$1.8 million dollar bond issue maturity date would be in fifteen years interest at approximately 5-3/4% (estimate) would require \$17,750 for FY 73-74 and \$220,050 for FY 74-75. This represents principle and interest. There would be two payments in the second year.

It was suggested by someone that the entire \$3 million bond issue be sold and that the \$1.2 million be reinvested. However, there are Federal Treasury rules and regulations against this. Have to have 95% of the bonds spent within two years. If the entire \$3 million were sold the Treasury Department has the right to remove the tax exempt status on bonds issues sold.

A new breakdown on the cash flow, from the Higher Education Construction Fund was given to the Committee.

Mr. Barrett was asked by Chairman Mello as to his understanding and opinion on A.B. 950. Mr. Barrett stated that he doesn't have reliable figures from the counties. He believes it would be a substantial impact, but he doesn't know what the exact amount would be. He feels that the counties are missing something that they should be aware of. In Title XIX there are new moneys in the budget to take care of the medically disabled. By moving these people over to the State Title 19 should give the counties some relief.

There are, however, two areas of concern in this:

1. January, 1972 criteria or
2. go to the Federal criteria.

The Federal regulations loosen the criteria for eligibility and the State's January, 1972 criteria is rather strict. It is hoped that the Federal agency will allow some set point between these two established criterias.

Chairman Mello asked how this money would be distributed to the counties.

Mr. Barrett stated that it would not be given to the counties. If the medically disabled come on their bills will be paid by the State.

Senator Young appeared on behalf of S.B. 460. This bill addresses itself to the plight of the small counties in two ways; makes available to small counties for their use the Urban Planning Division. Would allow the counties to prescribe fees for the subdividers to defray the expenses for the administration process of the subdivision plan. This would be kept on a continuing basis to help the small counties. The small counties do not have the budget or expertise to compete with the skill and sophistication of the larger developer. And secondly, this bill would appropriate \$125,000 on a one shot type basis to be used as matching funds with the counties to employ experts on their own. This bill would only apply to those counties have a population less than 100,000.

Concern was expressed regarding the recent State appropriation to the Carson River Basin COG, in that it would be possible for them to use State funds as a match for the funds provided for in this bill.

Grant Bastian and Bob Guinn appeared on behalf of S.B. 412. This bill would allow that all interest earned on the Highway Fund would not revert to the General Fund but would accrue back to the Highway Fund.

Chairman Mello asked Mr. Bastian if he had any idea how much this would amount to a year. Mr. Bastian stated that it would probably be \$50,000 per year.

Mr. Dolan pointed out that the fund for Revenue Sharing is set up so that the interest goes back into the fund.

Mr. Guinn stated that he did not have any comments to make only that he supports Mr. Bastian's proposal. Also that he has some reservations regarding the constitutionality of the interest reverting to the General Fund.

Mr. Capurro expressed concern regarding the impact of S.B. 460 on the personnel of the Urban Planning Division. Also, that he wonders if there would be an overlap into the program of the Real Estate Subdivision area.

Mr. Hafen stated that he didn't feel there would be any overlap.

Considerable discussion followed regarding whether this was exactly fair since some of the counties do have mandated planning and have complied. This would allow counties that have not complied to have State assistance in implementing master planning.

Mr. Capurro moved for a do pass. Second by Mr. Howard. Motion passed.

Mr. Hafen moved for a do pass of S.B. 412. Second by Mr. Robinson. Motion passed.

Russ McDonald and John Meder appeared on behalf of A.B. 950. Mr. Robert Bruce, Management Analyst for Washoe County was also present.

After the last meeting with this Committee, at which time a request was made by Mr. Meder to furnish the Committee with a breakdown for each county as to amount of ad valorem tax paid to each county and the amount of additional medical costs paid.

The drafters of this legislation felt that a starting point could be the payments of the 50% of the amount of each claim. All claims would have to be approved by the Board of Examiners and as is now presently used, the counties would continue to use the California Relative Value Fee Schedule. Payments would be made monthly.

This bill is structured to recognize only medical care as defined in Title 19.

There has been no consideration given to this when the preparation was made of the Executive Budget. By adopting AB 950 it was increase expenditures in excess of what receipts are, thereby creating a deficit; it would also require that moneys be taken out of other areas of the budget.

Mr. Robinson questioned the fact of Federal matching moneys to the counties. Ron Sparks replied that he felt it was doubtful but again with the changes in HR-1 no one can give you a completely accurate answer.

Mr. Capurro moved that the bill be passed with the following amendments: (1) be effective July 3, 1973; (2) terminate on June 30, 1975; and (3) amount not to exceed \$3 million. Second by Mr. Hafen. Motion passed. Mr. Schofield did not vote.

S.B. 605: Claim against the state resulting out of a highway accident in Elko County. According to state highway people the roadway was in poor condition and could have possibly been the cause of the accident. Mrs. Aronson has agreed to settle out of court for \$35,000.

Mr. Dreyer moved for a do pass. Second by Mr. Schofield. Motion passed. Mr. Capurro our "insurance attorney" to handle this bill on the floor.

Mr. David Hagen appeared on behalf of A.B. 580 which is a bill requesting that the Judges in Washoe County be increased to a total of eight.

Mr. Hagen cited statistics pointing out the increased workload of the Judges in Washoe County.

When asked whether there was adequate room or funds available for another courtroom, Mr. Hagen replied that there have been proposals made. The present Judges have volunteered to allow their courtrooms to be used when they are open. Mr. Hagen has been assured by Bob Rusk, County Commissioner, that the old Department 1, which is now being used by the County Commissioners, could be used again as a Courtroom.

Mr. Hagen seemed to feel that the increase of illnesses among the Judges was do mostly because of the tremendous workload and strain placed upon them by the calendar jam.

Cost per Judge would be approximately \$30,000 per year, this would include fringe benefits.

Mrs. Mary Noyes appeared with Mr. Schofield on behalf of A.B. 541.

Enactment of this legislation would allow the libraries of Nevada to create a "central pool" of information. It would allow for the establishment of TWX and WATS lines to libraries throughout the State. The libraries in Elko, Las Vegas and Reno would serve as resource centers.

If full funding is not granted Mrs. Noyes stated that all they would want is the legislative authority.

Ron Sparks and John Dolan to report back to the Committee exactly what position the State would be in, if enabling legislation was passed but no money was appropriated.

Mr. Capurro moved for do pass as amended on A.B. 580. Second by Mr. Dreyer. Motion passed. Amendment: for one Judge; to be effective January 1, 1975.

Mr. Prince moved that A.B. 581 be indefinitely postponed. Second by Mr. Hafen. Motion passed. Nays: Mr. Capurro.

A.C.R. 16: Mr. Howard moved to indefinitely postpone ACR 16. Second by Mr. Capurro. Motion passed.

Mr. Smith moved for a do pass on S.B. 610. Second by Mr. Capurro. Motion passed.

Committee decision to hold ACR 46.

Meeting adjourned at 9:05AM