

MINUTES

Assembly

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

April 19, 1973

Meeting called to order by Chairman Mello at 8:05 AM in the Ways and Means Committee Room.

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

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

Motion to approve the minutes of April 12, 13, 14, 15 and 16, 1973, made by Mr. Dreyer. Second by Mr. Schofield. Motion passed.

Real Estate Subdivision Fund, page 407: Mr. Robinson moved that the budget be closed according to the Governor's Recommendation. Second by Mr. Hafen. MOTION PASSED.

Division of Insurance, page 401: Addition of personnel to implement no-fault insurance. Mr. Howard moved to reopen the budget. Second by Mr. Dreyer. Motion passed. Mr. Howard moved that the budget be closed according to the Governor's Recommendation with the addition of the new personnel as recommended by the Senate Finance Committee. Second by Mr. Dreyer. Motion passed.

William Swackhammer, Secretary of State, appeared before the Committee to make a pitch for the additional request of \$1500 for travel for the Securities Officer in his office.

To date Mr. Button has spent approximately \$900 of his own money for the travel necessitated with investigations, trials, etc.

Chairman Mello told Mr. Swackhammer that this matter had already been taken up before the Committee upon receipt of his letter request. At the time the Committee's thought was that the entire point was living within the budget that was created.

Mr. Hafen questioned Mr. Swackhammer as to the possibility of transferring funds from some other category within the budget.

Mr. Swackhammer stated that when Mr. Koontz drew up the original budget it was very tight and that he could foresee no area in the budget that could be used for the transfer point.

Mr. Capurro stated that he could understand the problem but when you start doing this type of thing it could be opening the door for it to happen again and again.

Chairman Mello stated that he would be in favor of appropriating the money as long as Senate Finance would go along with it. But, he just couldn't see going into conference on a matter as small as this.

Mr. Dreyer moved that the requested \$1500 be placed on the General Appropriations Act if the Senate concurs. Second by Mr. Prince.
Nays: Mr. Howard. Motion passed.

S.B. 640: Mr. Gagnier pointed out that this is the second time he and Mr. Morgan have appeared before this committee on the retirement matter.

There are five points in this bill that are important:

1. The addition of two new members to the Retirement Board; to be appointed by the Governor from a list of 10 from public employee groups.
2. Increase in the contribution rate by 1% for all current members of the system.
3. The new concept setting a higher rate on employee contributions for older entrants into the system.
4. A new technical area which provides that when an employee of the system quits and then comes back at a later date they would still have to pay the higher rate based on the entrance age factor.
5. Ten year vesting period.

Mr. Capurro wondered if they had taken into consideration the retro-active adjustments instead of the ten year vesting period. It seems that the two amounts would be just about equal.

Mr. Morgan stated that they felt the ten year vesting was the benefit change they could get agreement on in the Senate. The ten year vesting also has the added benefit that it doesn't cost anything for the first five years.

Mr. Ray Presnell stated that at the present time the retirement fund is earning 5.34% on the investment return. This would be much higher now because of appreciation of stocks.

Mr. Morgan stated that of all the various bills introduced this session on the retirement system this one was in accord with the wishes of the Senate and Assembly and had extensive hearings held on it.

S.B. 363; Mr. Ray Presnell: Mr. Presnell explained that this bill would provide that a legislator with service under the public employee's retirement system, in a capacity other than a legislative one, may transfer up to 25% of this service to his legislative retirement.

Further explanation was given to the Committee by Mr. Presnell, which tended to further confuse the issue. Chairman Mello suggested that this bill be held pending some coherent explanation by the people who requested the legislation. This bill was introduced by the Senate Finance Committee.

S.B. 640: Mr. Schofield moved for a do pass. Second by Mr. Robinson. Nays: Mr. Capurro. Motion passed.

Decision to hold on S.B. 363.

S.B. 380. Explained by John Crossley.

In the statutes there is a law which says that all interest earned shall be deposited to the credit of the General Fund. (This is a general law.) Interspersed throughout the statutes there are specific laws which state specifically that interest earned on various funds should be credited to that fund. This bill is amending the general law to make it clear to the State Treasurer that he is to account by fund for the interest earned. The Treasurer has been putting all the interest earned to the credit of the General Fund and it shouldn't be going there, it should be going to the specific funds.

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

S.B. 630:

This bill would allow the Parks Division to go before the voters to float a \$5 million bond issue. There is approximately \$2 million unused from the previous bond issue.

Chairman Mello questioned the fact if we were pushing the land acquisition for the Parks Division just a little too fast. Mr. Capurro pointed out in addition to the fact that things were moving quickly that in this request for a bond issue there are hidden factors which would increase to the point of doubling the budget for the Parks Division.

S.B. 637: This is the capital improvements bill for higher education. This has all of the projects that were approved by both Committees. Also, at the end of this bill is the appropriation for Phase III for the Clark County Community College, in the amount of \$2.2 million. Section 4 on page 2 of this bill calls for the repayment of this \$2.2 million on or after July 1, 1977.

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

Meeting adjourned at 9:00 AM