

SENATE FINANCE COMMITTEE
MINUTES OF MEETINGS
APRIL 19, 1973

The meeting was called to order at 8:30 a.m. Senator Lamb was in the chair.

PRESENT: Floyd R. Lamb, Chairman
Warren L. Monroe
B. Mahlon Brown
James I. Gibson
William J. Raggio
Clifton Young
Archie Pozzi
Earl Oliver, LCB Fiscal Analyst
Howard Barrett, Budget Director
Cy Ryan, UPI

COMMUNITY CENTER TRAINING FUND - Page 294:

Mr. Barrett said, "Moneys are given to the mental hygiene and mental retardation division. Then they are allocated by that division to the local retardation centers. This year they received \$250,000 in general fund money. They wanted \$300,000. We gave them \$250,000 and then said they could get \$75,000 in social services money. That social services federal money is funny money and they will never receive that money. At the time we put it in there they were eligible but now with the change in rules and regulations they will not get anything from the social services federal money. They want firm money from the general fund rather than the funny money from the federal government. I could not recommend giving them \$75,000 general fund money, but I think they should receive something more than what you have now allotted. \$275,000 would be a 10% increase over what they are now receiving. This would allow a 10% increase in their program throughout the state." No action was taken by the committee.

SECRETARY OF STATE:

Senator Raggio said, "While Mr. Swackhammer is here I would like to clear up a rumor that is permeating the halls that I was personally responsible for killing his bill to pay John Koontz (the former Secretary of State) money for his leave. I am only one vote here." Senator Monroe said (jokingly), "May I explain to Senator Raggio that he has to years in which to explain his vote and to not take up our time now to do this." Senator Lamb said, "Boy, we better get this thing over with."

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Mr. Swackhammer said that he has asked for \$1,500 to pay for his security administrator who is very active and who, when their department ran out of travel funds paid for his travel out of his own pocket, and it cost him \$900 so far. Mr. Swackhammer wanted the \$1,500 to reimburse Mr. Button, the securities administrator. He said that he had talked with assembly ways and means and that they would approve of the extra \$1,500 for travel if the senate finance committee did. Senator Gibson said, "Go tell dad that mother said okay."

Senator Young moved they approve an additional \$1,500 to be used for the current fiscal year (1972-73) for travel. Senator Gibson seconded the motion, and it passed unanimously. This will be added on to the end of the appropriations act.

S.B. 642:

SUMMARY: Authorizes the University of Nevada to issue its revenue bonds and other revenue securities for designated facilities at the University of Nevada Reno, and provides for their acquisition.

Senator Brown moved they recommend do pass. Senator Pozzi seconded the motion, and it passed unanimously.

S.B. 646:

SUMMARY: Makes appropriation to enable desert research institute to continue Pyramid Lake project in weather modification and management.

Senator Young moved they approve this for do pass. Senator Monroe seconded the motion, and it passed unanimously.

S.B. 645:

SUMMARY: Makes appropriation from general fund to state board of examiners for settlement of claim.

Senator Lamb said, "You really opened the door, Cliff." Mr. Barrett said, "This one is also a judgment, actually, but it was drafted in the wrong manner. It is actually a court settlement, not a claim."

Senator Young moved that they amend out the word claim and put in the word judgment. Senator Brown seconded the motion, and it passed. This motion was also for do pass, as amended.

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S.B. 632:

SUMMARY: Provides longevity pay for certain judicial officers.

Senator Monroe said, "I move we change the percentage." Senator Young seconded the motion. Senator Gibson said, "We had a joint meeting this morning and we agreed on a percentage." The committee passed unanimously on this motion to the percentage and allow prior service to count.

Senator Gibson said that prior service would count but its applied to the beginning of the term. Senator Young said, "You mean if a judge served 12 years commencing January, 1975, they would get a 12% longevity allowance over and above their statutory salary." Senator Gibson said yes. Senator Young said, "That seems to be a heck of a windfall." Senator Gibson explained that they were asking their salaries be raised to \$35,000 per year and the committee was raising their salary to \$30,000 and this bill would be a way of compensating them at the rate of 1% per year for their longevity, but that they would be allowed this for each year of service back to their first year of service. Senator Raggio said that if they were going to do this for the county judges they should do it for the other judges.

Senator Young said, "They are on the job now, and I feel this bill is to take care of the inflationary rise that we can't adjust every year and we ought to start this 1% effective in 1975 and onward." He felt that this was to allow for inflation and not longevity. Senator Gibson said, "The rationale in this is that it is really a longevity allowance." Senator Young said, "Why reach back and give them something they never expected. It is a pure windfall. I think they should be grateful and get down on their hands and knees and thank the legislature for merely starting adding 1% per year after 1975. I think this would have some implications upon retirement." Senator Gibson said, "I haven't thought of the ramifications." Senator Young said, "I can't see the justifications of a guy having 19 years and you give him a 19% increase and when he retires he will get a percentage of the highest salary in the last three years. I can't rationally set that."

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Senator Gibson said, "If it has any validity its for pay for service." Senator Young said, "But not for past service. Obviously they have been satisfied or they would have quit." Senator Lamb mentioned that they would be giving longevity to state employees. Senator Brown mentioned that this would amount to a lot more for the judges.

Senator Young said, "I can think of a couple of judges who might otherwise be interested in retiring who this might cause to hang on. Judge Bowen has 12 years now and if you jump him up 12% over what he is getting it would be a hell of an incentive to stay on." Senator Gibson said, "But you've got that raise from \$24,000 to \$30,000, and I don't think the longevity raise is going to decide it." Senator Young said, I think you are going to have some long range implications. Senator Gibson said, "I hope that the long range implications would be to help us hold the base salary."

Mr. Barrett also mentioned that the judges don't contribute to the retirement fund. Senator Young said, "None of the judges jobs have gone begging. There are always plenty of applicants." Judge Bowen could have a salary of \$36,000, his retirement would be \$24,000 which is 2/3 of the salary. If I were him I would get my three years in and retire. He looks healthy, he could get another thirty years on retirement." Senator Raggio said, "I don't want to be inconsistent with the counties." Mr. Ernest Newton of the Taxpayers Association said that our judges retirement is better than the U.S. supreme court's as they retire at 2/3 of their salary after 30 years.

Senator Pozzi moved they recommend do pass. Senator Gibson seconded the motion, and it passed unanimously.

S.B. 643:

SUMMARY: Authorizes extension of lease on building used by state agency.

Senator Pozzi moved they recommend do pass. Senator Young seconded the motion, and it passed unanimously.

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S.B. 245:

SUMMARY: Provides for planning and implementation of programs to assure free public education for all handicapped children of this state.

Senator Raggio moved to kill this bill. Senator Young seconded the motion, and it passed unanimously.

A.B. 438:

SUMMARY: Designates Kyle Ranch in Clark County as an historical monument under the state park system.

Senator Gibson moved they kill this bill. Senator Pozzi seconded the motion, and it passed unanimously.

A.B. 32:

SUMMARY: Authorizes work release program for state prisoners.

Senator Pozzi moved do pass as amended. Senator Gibson seconded the motion, and it passed unanimously. Senator Lamb said, "Now Zel (Lowman) will leave me alone."

A.B. 947:

SUMMARY: Increases amount of allowable administrative claims against state and removes prohibition against inclusion of certain interest in tort claims against the state.

Senator Lamb said that this would allow the board of examiners to settle claims and would provide up to \$15,000 for each case instead of \$1,000.

Senator Monroe read the attached letter. Senator Raggio said, "Once there is a judgment if it is for the maximum amount people still have the right to be paid interest. I think you should pay interest after the judgment." The committee felt that people should be paid interest not before but after the judgment.

Senator Raggio said that this bill may save the state a lot of money.

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Senator Gibson moved they amend this to accomplish the ability to pay interest after the judgment but to preclude the payment of interest prior to the judgment and recommend do pass as amended. (This would take the brackets out on line 5.) Senator Pozzi seconded the motion, and it passed unanimously.

A.B. 962:

SUMMARY: Appropriates funds for payment of leasing and acquisition costs of paintings in legislative building.

Senator Gibson moved they recommend do pass. Senator Young seconded the motion, and it passed unanimously.

A.B. 636:

SUMMARY: ~~Requires refund of contributions to public~~ employees retirement system if employee fails to become eligible.

Senator Gibson moved do pass. Senator Pozzi said, "Remember, we killed Tim Hafen's bill yesterday." Senator Gibson said that with the bill yesterday they had the very same thing with Bruce Parks and always turned it down. (That bill was to allow legislators to be put onto the legislative retirement fund who hadn't been included when the bill was originally passed.) Those people had been legislators prior to the creation of the legislative retirement fund.) Senator Lamb said, "Charlie doesn't have a lot of cash flow but he does have a hell of a lot of land. I got this straight from the horses mouth from Slattery." Senator Brown seconded the motion, and it passed unanimously.

A.B. 272;

SUMMARY: Deletes limitations on number of Nevada highway patrolmen.

Senator Raggio moved to reconsider this bill. Senator Pozzi seconded the motion, and it passed unanimously. Senator Raggio then moved to amend this bill to not less than 80 patrolmen and recommend do pass as amended. Senator Gibson seconded the motion, and it passed unanimously.

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S.B. 369:

SUMMARY: Confirms power of fiscal analyst to examine state records.

Senator Lamb said, "I thought I would be able to hide one stinking little bill this session." Senator Pozzi said, "More bills are locked up in Nevada National Bank we can imagine."

Mr. Oliver said, "This bill was originally drawn so we could have access to the data processing facility and storage of data there. We do have general files that are no longer in a book or ledger and we have to audit and we have a tool where we can go into data processing and copy what is stored in magnetic storage. When it came out within a matter of minutes it was like an electrical shock, everybody in the world was against it. I have now checked with everybody except Ruby Duncan, and they are pretty much in agreement that the amendments clarified that it is just an audit function of state records. I don't think there is the opposition to it that there was before. There is some cost of this which is in our budget."

Mr. Barrett said, "I don't see any major problem. I think the thing that people are concerned about is when you operate a computer facility they are only holding information for the people who are users. The computer people should not be releasing information to anybody other than the agency that has responsibility for that. I think this is the way it would work. Earl would go to motor vehicles if he wants more information, stating the reason. I don't think the auditors should go to the computer facility and get the information, they should work through the agency."

Mr. Oliver said, "You do have this situation where the payroll for the state is common and if we audit the payroll we would have to go out and get 155 signatures to go into the facility." Later he added, "There is a wealth of information that is available in magnetic storage in the computer facility, and if we go to the agency he can't give us that. He doesn't know what's in there other than what he sent to processing. We want the ability to be able to go to the facility, hang up our tape, and copy off the records there, and review them and test them. They (Mr. Barrett) are

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saying we really can't do that without a note from the agency. Some of these records are so general, that who can you get permission from? Maybe I don't want him to know that I am auditing a certain program."

Mr. Barrett said, "In there somebody has the primary responsibility for the information in there and that should be the person to release the information." I think he should have the information he wants but the point is you can't have just anybody going into a very complex data processing information system and get it out because in the process of getting it out they may take it out permanently, they may disturb something, they may screw up the works."

Senator Lamb said, "Is there any way the department could hide things from them that they didn't want them (LCB) to find?" Mr. Barrett said, "These guys are getting very sophisticated now, I don't see why they need this." Mr. Oliver said, "But that's what we are trying to protect." Senator Monroe said, "With all these agencies going into the computer and putting all their records into the computer we've got to certainly give them access to computer records in order to do the audits. I think it ought to be clarified that they've got the right to get these things. If you don't you're going to put this guy (Mr. Oliver) out of business." Senator Lamb said, "That's what he wants this bill for, so he can go and do these audits."

Senator Lamb read the proposed amendments, and Senator Monroe moved they amend this bill and recommend do pass as amended. Senator Gibson seconded the motion, and it passed unanimously.

MINING - ECONOMIC DEVELOPMENT: *(a bill)*

The committee discussed the request to put \$50,000 into the economic development budget for the purpose of allowing the second phase of a study regarding the feasibility of putting custom milling plants for small miners.

Senator Gibson said, "I think what they are trying to do has a lot of merit." Senator Brown moved they recommend do pass. Senator Gibson seconded the motion, and it passed with Senators Young, Raggio, Gibson, and Brown voting for it and Senator Pozzi absent for the moment. However, later in the meeting they realized that they had killed this bill previously, so it would take five votes to reconsider this bill, and Senator Brown moved they reconsider this bill. Senator Gibson seconded the motion, and only Senators Raggio, Pozzi, and Brown voted

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for it, so it failed.

The conversation regarding this bill was as follows. Senator Young said, "If we are going to do this we want some supervision or direction or instructions as to how this should be used (the funding). If they are going to spend this \$50,000 it seems to me it ought to be done statewide and not only in the Central Nevada Development project area."

Senator Gibson said, "There isn't a place now where these little companies can get custom milling. The econologists have shut down all these places and they can't get this done now." Senator Monroe said, "The ore is being shipped to Belgium and Japan for processing now." Senator Gibson said, "The big outfits have gone out and bought up property and they are milling their own."

Senator Young said, "Doesn't supply and demand usually take care of this sort of thing?" Senator Gibson said, "My roots are in mining. This is what made this state, and I have sympathy for it. This is one area where my heart rules my head. I don't think its worth reviving after we've killed it."

A.B. 39:

SUMMARY: Enables issuance of instant drivers' licenses and increases license fee.

Senator Pozzi said, "I have got the fifth set of amendments and they still can't buy it." Senator Monroe said, "Why don't we pass it out." Senator Pozzi said, "What I'm thinking now is if they don't want to pass the bill why in the hell don't we get a resolution and have the legislative commission study it and just get them right out and schalack them all together." Senator Lamb said, "You've got Bastian on your back and he's going to go crazy when you pass that bill. I think you should do it that way, I don't think you should pass this bill."

Senator Pozzi said, "Three of us are on transportation (himself and Senators Young and Raggio) and you know about all the haggling on that bill." Senator Gibson said the bill was introduced on the first day.

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Senator Monroe said, "I think the thing that has to be done is right over there. Get that God damn motor vehicle and highway department straightened out on their finances." Senator Pozzi said, "Just to show you what happened and how these nit pickers operated, yesterday we had A.B. 86 which went to the first conference committee and had to do with dealer report of sale. They did not concur, so we went to the second conference committee and I told one of the men in the department that we had rewritten an amendment that was attached to the second conference report. So one of their department guys went on down to the other side and got three of the guys on that conference committee and was going to scuttle it in advance. So I came back over and got with Helen Herr and Harry Reid and removed my name and got Dodge's put on it so I could go on the third conference committee. I got ahold of a guy who was nit picking the bill and told him you've got a lot of juice down there, let's see how much you've got and I'll see how much I've got on my side. Fifteen minutes later they called back and caved in on the bill, but they were going to nitpick that one to death, too. Mr. Barrett, that's got to be the worst department in state government today. They have done nothing but fight with this God damn legislature the whole time and I'm getting fed up with it and the transportation committee is getting fed up with it. In addition I'm going to tell you another thing. Every time we have a transportation committee meeting up here they have the whole mob up there in force just to be sure that we didn't do some little thing that would acupuncture them to death up here. I'm telling you I'm getting fed up with it. I suppose when the legislature is over I'll have every highway patrolman on me every time I take a trip out of town."

Senator Young said, "With that transportation committee I don't blame you for being observant." Senator Pozzi said, "That's not as bad as commerce and labor, I'll tell you that."

Later in the meeting they were joking, and Senator Pozzi said, "At least this committee's laughing. You should come upstairs to the third floor." Senator Brown said, "This is the happiest committee I've seen around here, and that's no kidding." Senator Raggio said, "I vote no." Senator Lamb said, "I think this has been a great committee and we've had our little moments, but it's a pretty smooth outfit."

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Mr. Barrett said, "May I say I would like to thank the committee for allowing me to sit with you and work with you. Its one of the better committee's I've seen."
Senator Pozzi said, "We get most of commerce committee's action done in the elevator." (Yesterday several of that committee had an argument in the elevator.) Senator Lamb said, "I think he has a mess up there. Its too bad. He said I was trying to run his committee, but all I tried to do was help the kid."

Senator Pozzi said, "I just want to show you what's going to happen, because they are going to try to jerk that A.B. 865 down there. He (the chairman) talks about people playing games, (Senator Draculich) I had a bill, S.B. 268 which moved out of committee on Tuesday amended and do pass, and do you know when he turned it in? On Monday. So he's playing games with me.

"There are several other labor bills up there and he had to get with Paley to see how I was going to go on those bills before he would put mine (S.B. 268) back out on the board. The other thing is, when we got there the other day, yesterday, on the thing, we got three votes to kill the bill. Floyd, and Chick (Hecht) because they are directors on a bank would like to abstain from voting on the thing, and Helen was going to abstain, so therefore we can't kill the bill in there. Stan (Draculich) was going to abstain so he can force one of these guys to vote to kill it. Look at all the games up there. Stan wants to kill the bill, but he wants Floyd or Chick to vote. That's just how tough its been up there, so he pops off with what Snowey's reading over there about playing games. (Senator Draculich talked to newsmen claiming other senators were playing games and this was in the paper.) That's the way it is up there. He doesn't make a move unless Paley tells him to."

Senator Raggio said, "With A.B. 339 this was a little bill that came out and when it came out (instead of being a few paragraphs) it was six pages. I understand you guys didn't even discuss those amendments." Senator Pozzi said, "No. That's another thing. The amendments we were going to discuss was going to try to comply with the Christian Science thing in there. The amendment wasn't any longer, which was out of another bill. He goes and gets the amendments drafted and then never brought it back to the committee but puts it out on the floor, with all those six pages of amendments. If anybody is playing games up here its Stan."

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Senator Lamb said, "Yesterday, when he said he was going to go over and try to bring it out, he didn't even bring 865 out. We was going up and try to talk him into going back in and discuss it again."


Senator Brown said, "Before we leave, I want to say its been a pleasure to have Snowey (Monroe), Cliff (Young), and Bill (Raggio). I think they've added a lot to this committee."
Senator Young said, "About two million dollars. I would say."
Senator Brown said, "Its been a pleasure having you in here."

The meeting adjourned at 9:55 a.m.

Respectfully submitted,


Ellen Hocker, Secretary

APPROVED:


Floyd R. Lamb, Chairman



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
SUPREME COURT BUILDING
CARSON CITY 89701

ROBERT LIST
ATTORNEY GENERAL

April 13, 1973

Honorable Floyd Lamb
Chairman
Senate Finance Committee
Legislative Building
Carson City, Nevada 89701

Re: S.B. 326

Dear Senator Lamb:

The position of this office respecting the inclusion of payments of interest on the Webster judgment is:

(a) That its opinion to Howard Barrett of March 8, 1973, stating the payment of interest which combined with the award exceeds \$25,000 per claimant is not authorized by NRS 41.035, is still legally correct;

(b) Since then the Supreme Court has foreclosed any avenue of appeal by the state to test the validity of this office's opinion, and as a practical matter the issue is moot insofar as the Webster judgment is concerned;

(c) That should the legislature not appropriate funds for payment of interest, the Websters could apply to the Supreme Court to mandate payment of the interest, and since this office cannot give reasonable assurance that such application could be successfully resisted, it is recommended that provision for payment of interest be included in SB 326.

It is recommended that the Legislature clarify NRS 41.035 to clearly state whether or not interest is to be paid on the jury verdict or court award. If it is the policy of the Legislature that interest is to be paid in addition to the damage award, then Subsection 1 of 41.035 should be amended by inserting after \$25,000 the words "plus statutory interest".

*Amend
AB 947
either*

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If it is the policy of the Legislature that interest not be added to the damage award, then the last sentence of Subsection (1) of 41.035 should read "No such award may include any amount as exemplary or punitive damages nor shall interest be allowed thereon".

Sincerely,

ROBERT LIST
Attorney General

By:
James H. Thompson
Chief Deputy Attorney General

JHT:rmf

cc: Howard Barrett ✓