

GOVERNMENT AFFAIRS COMMITTEE

MINUTES OF THE MEETING

March 18, 1975

MEMBERS PRESENT: CHAIRMAN DINI  
VICE-CHAIRMAN MURPHY  
ASSEMBLYMAN CRADDOCK  
ASSEMBLYMAN HARMON  
ASSEMBLYMAN MAY  
ASSEMBLYMAN MOODY  
ASSEMBLYMAN FORD  
ASSEMBLYMAN YOUNG

ALSO PRESENT: Frank Fahrenkoph, Washoe County  
Leonard Winkelman, Department of Motor Vehicles  
Robert Warren, Nevada League of Cities  
Jack Mitchell, City of North Las Vegas  
Jim Lien, Nevada Tax Commission

(The following bills were discussed at this meeting: A.B. 338, A.B. 340, A.B. 341, A.B. 342, A.B. 343, A.B. 344, S.B. 273, S.B. 276, S.B. 281, S.B. 277, S.B. 278, A.B. 15, A.B. 16, S.B. 280).

Chairman Dini called the meeting to order at 8:00 A.M.

The first bill on the agenda to be discussed was A.B. 338, which requires regional street and highway fund to be accounted for as separate fund. Mr. Jim Lien testified with regard to this bill.

Mr. Dini asked Mr. Lien what went into the regional street fund. Mr. Lien stated that as far as counties went, 7 or 8¢. Mr. Lien stated that this bill clarifies the fact that a county cannot combine a road fund and a regional street fund. He stated that they do have two counties who have not separated them and they feel it is necessary to further clarify it.

The next bill on the agenda to be discussed is A.B. 340, which requires verbatim transcript of proceedings of local government meetings to establish combined tax rate. Mr. Lien stated that this was a requirement for entities who are in a tax rate battle to have a court reporter present to take minutes and give a verbatim transcript. He stated that when an entity reached the \$5.00 constitutional limit, it must try to resolve the impasse. He stated that the minutes must be forwarded to the tax commission.

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Mr. Lien stated that if it is not resolved, the tax commission has to do so. He stated that the statutes require a written summary, and that this was not adequate. He stated that the cost of the transcript is to be split between the state and the county. He stated that it generally runs from \$2.95 to \$3.25 a page. He indicated that the ones that they had received from Washoe County had run about 65 pages in length.

Mr. Young asked if all small counties had a reporter.

Mr. Lien stated that Elko probably does.

Mr. Young inquired if you had to use a regular court reporter. Mr. Dini asked Mr. Lien if a tape would not do it. Mr. Lien stated that it would be better if they sent the tape to the tax commission. He stated that they wanted a verbatim transcript within 3 days. He stated that he did not care if the tapes were sent to him. He stated that so far the only counties involved were Clark and Washoe. The other ones have always resolved their problem when they have exceeded the \$5.00 limit.

Mrs. Ford asked if it would take any longer if they had someone at the meeting to observe.

Mr. Lien stated that was true. Mr. Lien stated that if you needed two or three of those meetings that they did not have the people present who are versed in local government. Mrs. Ford suggested that perhaps we could write in some options.

Mr. Lien indicated that he would have no objection.

Mr. Dini asked if there were any other questions.

The next bill to be discussed on the agenda was A.B. 341, which amends provisions governing distribution of motor vehicle privilege tax.

Mr. Lien also testified on this bill. He stated that they have an amendment for A.B. 341 because the language did not accomplish what was wanted. Mr. Lien distributed the amendment and a copy of that amendment is attached hereto and made a part of the minutes of this meeting.

Mr. Winkelman from the Department of Motor Vehicles testified next. He stated that what they were attempting to do is to establish a better formula for distribution of the motor vehicle tax back to entities. He stated that they did not want to require the Department of Motor Vehicles to mail checks to 200 entities and so they have made an amendment which basically will provide that they will only be forwarding checks to the cities and the school districts and all others will be combined in county payment as it is now.

Mr. Craddock asked if the portion of the taxes that were left over would be turned over to the highway department fund. He asked whether or not the percentages of 1.07 from 5.66% totalled 100%. Mr. Lien stated that this is for a different type of tax.

Mr. Lien stated that Mr. Winkelman would have to respond. Mr. Winkelman stated that there were two types of collections. One was a motor vehicle privilege tax and he believed that under section 706 that it was an interstate type vehicle. He informed Mr. Craddock that what he was referring to is the distribution of the privilege tax that is collected by the motor carrier division. He stated that it was all lumped together and goes to the counties. He informed the committee that to get to that figure they have to use those percentages in the statutes to get the tax into the right place.

Mr. Lien stated that what was transferred to the state highway fund, was the state's portion of the regular privilege tax of 1%. He stated that it was 1% in Carson and other small counties and 6% in Washoe and Clark.

The next bill on the agenda to be discussed was A.B. 342, which eliminates population restriction on county establishment of central receiving and disbursing systems; establishes certain rights of local governments to direct disposition of their moneys held in trust by counties. Mr. Lien testified on this bill. Mr. Lien referred to a bill of last session which allowed Washoe County to step up central receiving and disbursement situations. He stated that the system has worked well and that in talking with people in the small counties, it is the general belief that several other counties want this and they are asking for legislation to remove the limitation on Washoe County alone and that it be taken from the statutes and that it be made permissive. Mr. Lien stated that it does afford them the opportunity to collect money more rapidly. He stated that on page 2 there was a saving clause. He further stated that it was necessary to assure that any entity for which the county is holding money in trust that that money would be invested as the entity desired.

Mr. Dini asked if he was referring to special districts and Mr. Lien stated that these were special monies that were collected by the counties. Distribution is not made on a monthly basis but perhaps on a quarterly basis.

He stated that it was the cities money to invest and the county will credit any money it earns on that money to the city.

Mr. May read from Page 2, line 15 and asked Mr. Lien what that was.

Mr. Lien stated that that was the local government budget act. Mr. Lien stated that the money held by trust are not in the county's own trust funds but are the trust funds they hold for other local government. The county treasury is the one that has control over the money.

Mr. Young asked if we were saying that Washoe County is setting up a central investment committee.

Mr. Lien stated yes. He stated that the treasurer, the controller, the manager, someone from the school district and someone from the cities are involved with that committee.

Mr. Harmon asked how many counties.

Mr. Lien stated Washoe.

Mr. Schofield asked what the reason for changing it was.

Mr. Lien stated that it was to allow other counties to set up a central system. He stated that in most counties, the assessor, clerk, etc. all have to collect money and that it was turned over to the treasurer and it get up into the bank account. He stated that it does not have to be as rapidly. Mr. Lien stated that under the central system, the money is rotated immediately and is invested in a matter of hours after it has been turned over. He stated that it takes place quickly in Clark County. He reminded the committee that this language was permissive only.

Mrs. Ford asked if the county adopted it, who had the ultimate responsibility for investments.

Mr. Lien stated that an investment committee set up by the city counsel. Most counties have a means by which they invest money. They are able to collect the money faster. It is up to the county commissioners to determine who the persons will be.

Mrs. Ford stated that it should state, on line 7, who would be responsible.

Mr. Lien stated that it could certainly be put in. He stated that it was almost imperative that they do.

Mr. Lien stated that this was almost like a pilot program and that other counties have seen just how well it works.

Mr. Harmon asked Mr. Lien which specific counties were interested in this and Mr. Lien replied Carson, Elko, Churchill, and Humboldt. He stated that Clark County would utilize it also.

Mr. Harmon asked if Clark had requested it.

Mr. Lien stated that through the discussions and representations of the Tax Advisory Commission.

Mr. Schofield asked who did it now.

Mr. Lien stated that they have an investment program. He stated that those two things are separate, and he stated that it was a matter of how rapidly the money is collected. He stated

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that Mr. Galloway handles it in Clark County for the county. Mr. Schofield asked if he requested this.

Mr. Bunker stated that Clark County does support this legislation. Mr. Bunker stated that although they were getting this by ordinance, with the state statute they will be getting a faster response.

The next bill on the agenda was A.B. 343, which allows local governments, conservation district and irrigation districts to utilize purchasing division facilities.

Mr. Lien testified on this bill. He stated that Mr. Sullivan and he had discussed this bill. He stated the purpose is to clarify the state purchasing act and the use of the purchasing division is available to all local governments. He stated that it was restricted to general improvement districts. He stated that they were able to secure an attorney general's opinion that reversed that. Mr. Lien stated that Mr. Sullivan believes that the services should be open to all local governments and not just one or two types of government.

The next bill on the agenda to be discussed was A.B. 344, which deletes reference to emergency loans and extends permissible term of temporary loans by local governments. Mr. Lien also testified on this bill. He stated that this bill was just clean up language and that all references to emergency loans in section 350.572 were deleted. He stated that it was to conform the statutes to a time period of five years for that type of financing.

The committee next discussed S.B. 273, which requires certain records and controls of property and equipment be kept by local governments. Mr. Lien stated that this bill did not provide for new governments being formed and what their responsibilities were and it also would expand what is required. Mr. Lien stated that any government being formed after July 1, 1975 is to establish records. It also designates the fact that ownership is to be designated. He stated that there must be an individual appointed who will be responsible for the records. He stated that agencies were not establishing adequate records and there seems to be no one who is responsible for them when they are established. He stated that it required entities to designate people necessary to maintain those records and provides the requirement that any new government is to establish them.

Mr. Dini referred to Section 244.299 and Mr. Lien stated that that is county inventory. He stated that it was a duplication.

The next bill to be discussed was S.B. 276, which revises procedures for transferring local government budget appropriations between accounts. Mr. Lien stated that as it now reads, it requires an entity who is going to transfer moneys between funds as funds and that its own budget must announce it at a regular meeting and at a second meeting they can do it. Mr. Lien stated that for entities that have 2 meetings a month it can be accomplished in one month.

He stated that it is felt that since we are transferring monies which have already been designated that it can be done at one regular meeting as long as a resolution is adopted as to what is being transferred.

Mr. Craddock stated that in the process of filing the minutes of the meeting, it is quite helpful to know what is coming up in various transfers and asked how available it was to people who make these transfers on the spot. He stated that there was concern that people would make these transfers on the spot.

Mr. Lien agreed and stated that it is the governing body or board that has to make the determination.

Mr. Young asked if these were funds within the same agency.

Mr. Lien stated within local governments. He stated that 277, 354 and 618 are the basic statutes for the short term financing. He informed the committee at 343.430 spells out the mechanics.

He stated that at the present time, a resolution is adopted, forwarded to the tax commission. It then makes its analysis and and that they then have to wait for the nine members to meet in order to get approval. He stated that they have never turned down a short term financing request if they were recommended by staff. What it does is allow the secretary of the tax commission to make a determination to approve or disapprove. If it is disapproved, the agency has the right to appeal that to the nine member tax commission. This speeds up the process. When emergencies do arise short term financing is used.

Mr. Dini asked if it was already in the law and if they already had criteria.

Mr. Lien stated that they did.

Mr. Young stated that he thought it was the State Board of Examiners.

Mr. Lien stated that the State Board of Financing used to do that. It moved that decision making level from the State Board of Financing to the Nevada Tax Commission.

Mrs. Ford asked if this was changing the decision to one person.

Mr. Lien stated that that was correct, and that is why the appeal was put in there.

Mrs. Ford asked how often the tax commission met.

Mr. Lien stated that they met in October, February, April and May. He stated that there could be interim meetings to handle sales and use tax audits.



Mr. Lien stated that if you want to be sure that the nine member board receives information it could be written into the statutes. It now takes a unanimous vote of the body in order to use their own money. There is a strict definition as far as augmentation is concerned. It has to be new resources. He stated that augmentation is not readily used by any local government because additional resources are not always available. Augmentation of the budget with the monies of the entities itself should always be by majority.

Mr. Dini stated that this bill has been killed three times.

Mr. Lien reminded the committee that there was a vacancy on the Board in Reno right now. The legal interpretation would mean that they do not have a unanimous board. He stated that Section 354.150 requires that when the Board of County Commissioners determines that there is dormant monies in any one fund, before transferring, it must have the approval of the State Board of Finance. The State Board of Finance has never rejected a county's request to transfer county funds. The county should be able to make its own determination.

Mr. Dini asked how dormant fund was defined.

Mr. Lien stated that it is one that is no longer used, and gave the debt service fund as an example. He stated that in this fund there was still money remaining after the last payment. The money should be transferred.

Mr. May asked if these were 318 districts and Mr. Lien stated that they were. He informed the committee that if an entity is dissolved, there is another statute that states what happens to the money.

The next bill to be discussed was S.B. 281, which adjusts time limits on publications of notice of public hearings on tentative budgets of local governments and requires copies of certain budgets with proof of such publication, to be submitted to the Nevada Tax Commission. Mr. Lien testified with regard to this bill.

He stated that the statutes require that a notice of public hearing when an entity is holding a public hearing on its budget has to be published. It must be published at least 7 days prior to the meeting. They feel that the filing of such a notice in February is a long notice. They feel that more definition should be put in with regard to the time frame and that it should be no longer than two weeks notice prior to the meeting. He stated that they wanted a copy of the proof of publication.

Mrs. Ford asked if this notice was given twice and asked how they give notice the first time.

Mr. Lien replied that all they have to file with the tentative budget is a copy of what they are going to publish. It is only one notice.

The next bill on the agenda to be heard was S.B. 282, which repeals provision requiring an annual report by county auditor.

This bill, Mr. Lien stated, is for the purpose of abolishing the requirement that the county auditor publish a county auditor's report.

Mr. Lien stated that it is inaccurate, and that they end up with two reports, the county auditor's report and then the independent auditor's report. He stated that it was felt that they should get rid of an expensive item and not require it.

Mr. Warren next testified and stated that an overview might be helpful. He stated that at the County Association Conference in Tonopah these were approved in concept and the cities likewise approved them.

The next bill on the agenda was S.B. 277, which provides for approval by Secretary of Nevada tax commission of short-term financing resolution of local government and of noncollection in certain circumstances of special tax to reimburse local government funds from which loans have been made for purposes of short-term financing.

Mr. Lien testified with regard to this bill and stated that this bill would delete the tax commission and would permit personnel to approve short term financing. In some instances these short term loans were needed for a project that might be required for some emergency and would require immediate action. This legislation would speed up the process and accomplish this.

The next bill discussed was S.B. 278, which permits budget augmentation by local governments by majority vote of their local governing bodies and shortens time required after publication of notice before vote on augmentation may be taken.

Mr. Lien stated that this bill has been before this committee previously. He stated that the last time it was opposed by the teachers. He stated that the augmentation can come from grants or requests.

With regard to A.B. 340 Mr. Lien stated that it was suggested by Mrs. Ford that some language might make this more workable. He stated that with regard to Carlin he received a note from the manager there point out the lack of immediate availability of a court reporter. Mr. Warren pointed out that the tax commission could access the cost of transcribing the tapes back to the local governments.

Mrs. Ford asked if that was covered.

Mr. Lien stated that there were two problems. There may not be compatibility in the use of the same machinery and then also a problem with the transcription.

Mr. Warren asked if the tapes were for clarifying disputes.



Mr. Lien stated that usually it is an entity setting forth policy. Mr. Warren stated that it was a problem for his office and that this should be permissive language.

Mr. Young stated that Carlin would have to have the hearing at the Elko County Courthouse. Mr. Warren stated that they would if the court reporter was available. Mr. Lien stated that if it were scheduled it would not be an unnecessary burden. The do, however, recognize that there could be a conflict, but the board knows when it has to schedule and it should be able to work something out.

Mr. Craddock stated that we were only concerned with the local government entities that are exceeding the \$5.00 limit.

Mr. Lien stated that there was always a potentiality.

Mr. Warren stated that it might not happen, but if the problem did occur, there should be an escape clause. Mrs. Ford stated that this was not needed unless a unanimous vote was not obtained. If a decision is not made then it comes to the tax commission. Mr. Warren stated that the only city that responded to the inquiry was Carlin.

Mr. Dini asked if Chapter 656 was the chapter on certified shorthand reporters. Mr. Lien stated that it was.

The next bill to be discussed was A.B.341, which amends provisions governing distribution of motor vehicle privilege tax.

Mr. Warren testified with regard to this bill. He asked if this in any way will change the amounts of moneys that will be apportioned.

Mr. Lien stated that there was little or no shift of monies, however, Boulder City would receive no motor vehicle privilege tax. It states that the distribution shall be made to a local government which would receive 1/2 of 1%. Mr. Lien stated that he would make available to the committee the sheet showing what the allocations would be to the entities and he stated that for the most part there were no differences.

Mr. Bunker stated that they support the package with the same references made by Mr. Warren.

Mr. Frank Fahrenkopf stated that the same comments would apply for Washoe County.

The following action was taken by the committee.

A.B. 338. A motion for a do pass was made by Mr. May and was seconded by Mr. Craddock. All of the members were unanimously in favor of the motion and it was unanimously carried. Mr. Murphy was not present at the time of the vote.

A.B. 340. Mr. Dini suggested that a subcommittee be appointed with regard to this bill. The subcommittee would consist of

Mrs. Ford and Mr. Schofield.

A.B. 341. Mr. Dini read the suggested amendment with regard to this bill, which is attached to the minutes of this meeting and made a part hereof.

Mr. Young had suggested that this bill be held for a few days.

S.B. 276. Mr. Craddock made a motion for indefinite postponement with regard to this bill which was seconded by Mr. May. The members in favor of indefinite postponement of this bill were Mr. May and Mr. Craddock. Mr. Dini informed the committee that the motion for indefinite postponement did not receive a majority of the vote, and that the committee would hold this bill for more information.

S.B. 282. Mr. Dini stated that the committee would hold this bill until they had received some more information with regard to it.

A.B. 15 and A.B. 16. Mr. Murphy made a motion for a do pass on both of these bills, which was seconded by Mr. May. Mrs. Ford asked if the language could not be clarified and Mr. Murphy withdrew his motion.

A.B. 342. A Do pass motion was made by Mr. Moody and seconded by Mr. Murphy. Mr. May suggested that an amendment to this bill be made with a population clause of 100,000 or less. Mr. Moody stated that the language was permissive.

Mr. Dini stated that this bill would be held for a few days by the committee

A.B. 343. Mr. Young made a do pass motion which was seconded by Mr. Moody. All of the members were in favor of the motion and it was unanimously carried.

A.B. 344. A do pass motion was made by Mr. Harmon and was seconded by Mr. Craddock. All of the committee members were in favor of the motion and it was unanimously carried.

S.B. 273. A do pass motion was made by Mr. May and seconded by Mr. Craddock. All of the committee members were in favor of the motion and it was unanimously carried.

S.B. 277. Mr. Dini stated that this was a most important bill. A Do Pass motion was made by Mr. Young and seconded by Mr. Harmon. All of the committee members were in favor of the motion and it was unanimously carried.

S.B. 278. Mr. Schofield moved for a do pass which was seconded by Mrs. Ford. All of the committee members were in favor of the motion and it was unanimously carried.

S.B. 280. A do pass motion was made by Mr. May and seconded by Mr. Schofield. All of the committee members were in favor of the

motion and it was unanimously carried.

S.B. 281. A do pass motion was made by Mr. Moody, seconded by Mr. Schofield. All of the members were in favor of the motion and it was unanimously carried.

Mr. Douglas Miller then informed the committee that with regard to S.B. 239 which has been scheduled for hearing by this committee at a later date that the Advisory Mining Board is opposed to Section 4. He advised the committee that he would not be able to be here to testify at the hearing and wished to go on record as opposing the bill. He stated that this bill would be doubling the fees.

There being no further business to come before the meeting, the meeting adjourned.

Respectfully submitted,



Barbara Gomez,  
Committee Secretary.

ASSEMBLY

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS

Tuesday,

Date March 18, 1975 Time 8:00 A.M. Room 214

2-0462

Bills or Resolutions  
to be considered

Subject

Counsel  
requested\*

THIS AGENDA SUPERSEDES THE AGENDA  
FOR March 18, 1975.

- A.B. 338 Requires regional street and highway fund to be accounted for as separate fund.  
NOTIFY: Mr. Warren, Mr. Broadbent
- A.B. 340 Requires verbatim transcript of proceedings to establish combined tax rate.  
NOTIFY: Jim Lien, Nevada Tax Commission, Mr. Warren  
Mr. Broadbent
- A.B. 341 Amends provisions government distribution of motor vehicle privilege tax.  
NOTIFY: Jim Lien, Nevada Tax Commission, Mr. Warren  
Mr. Broadbent
- A.B. 342 Eliminates population restriction on county establishment of central receiving and disbursing systems; establishes certain rights of local governments to direct disposition of their moneys held in trust by counties.  
NOTIFY: Mr. Warren, Mr. Broadbent
- A.B. 343 Allows local governments, conservation districts and irrigation districts to utilize purchasing division facilities.  
NOTIFY: Mr. Warren, Mr. Broadbent
- A.B. 344 Deletes reference to emergency loans and extends permissible term of temporary loans by local governments.  
NOTIFY: Mr. Warren, Mr. Broadbent
- S.B. 273 Requires certain records and controls of property and equipment to be kept by local governments.  
NOTIFY: Mr. Warren, Mr. Broadbent, Senator Gibson
- S.B. 276 Revises procedures for transferring local government budget appropriations between accounts.  
NOTIFY: Mr. Warren, Mr. Broadbent, Senator Gibson

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\*Please do not ask for counsel unless necessary.

ASSEMBLY

2-0463

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS  
TUESDAY,  
Date March 18, 1975 Time 8:00 A.M. Room 214

Bills or Resolutions  
to be considered

Subject

Counsel  
requested\*

THIS AGENDA SUPERSEDES THE AGENDA  
FOR March 18, 1975

PAGE TWO

S.B. 277

Provides for approval by Secretary of Nevada tax commission of short-term financing resolution of local government and of non-collection in certain circumstances of special tax to reimburse local government funds from which loans have been made for purposes of short-term financing.

NOTIFY: Mr. Warren, Mr. Broadbent, Senator Gibson

S.B. 278

Permits budget augmentation by local governments by majority vote of their governing bodies and shortens time required after publication of notice by vote on augmentation may be taken.

NOTIFY: Mr. Warren, Mr. Broadbent, Senator Gibson

S.B. 280

Eliminates requirement of prior state board of finance approval of country transfers of dormant funds.

NOTIFY: Mr. Warren, Mr. Broadbent, Senator Gibson

S.B. 281

Adjust time limits on publication of notice of public hearings on tentative budgets of local governments and requires copies of certain budgets, with proof of such publication, to be submitted to Nevada tax commission.

NOTIFY: Mr. Warren, Mr. Broadbent, Senator Gibson

THIS IS PAGE 2 of 2 PAGES

\*Please do not ask for counsel unless necessary.

1. Page 1, line 18, delete "to the" and insert as set forth in subsection 4.
2. Page 1, line 21, delete "local governments of each county as defined in NRS 354.474" and substitute: 4. The distribution of the privilege tax within a county shall be to local governments as defined in NRS 354.474.
3. Page 2, line 8, add: Such undistributed amounts shall accrue to the county general fund. The department shall consolidate all distributions of governments other than county school districts, incorporated cities, and incorporated towns into the payment made to the general county. The county shall make the distributions as determined above to the other applicable local governments.

*also*

*LINE 7 page 2*

*delete - [A dist through line 9 alternative]*

*All Local governments other than incorporated cities  
shall receive no distribution of such distributions  
is less than  $\frac{1}{2}$  of 1%.*



