

MINUTES

WAYS AND MEANS COMMITTEE - NEVADA STATE LEGISLATURE - 58th SESSION

April 30, 1975

The meeting was called to order by Chairman Mello at 7:00 A.M. in the Ways and Means Committee Room.

PRESENT: Chairman Mello, Mr. Bremner, Mr. Dreyer, Mr. Glover, Mr. Howard, Mr. Robinson, Mr. Weise and Mr. Wittenberg. Mrs. Brookman was excused.

ALSO PRESENT: John Dolan, Bill Bible, Assemblyman Sue Wagner, Assemblyman Jean Ford, James Lien, Joe Anderson, Joan Kerschner, Assemblyman Paul May, Bob Warren, Bob Best, Ed Greer, Hans Jefferson, Lois Jones, Knox Johnson, Assemblyman Larry Jacobsen, Noel Clark, Kelly Jackson, Grant Bastian, Art Palmer, Bob Goodman, Ace Martell, Ms. Bernie Lenz, Lee Wilder, Dr. Ken Hansen, John Gamble, and Merlin Anderson.

AB 224 "Provides for stratified depreciation of mobile homes for property tax assessment purposes." BDR 32-587

Assemblyman Wagner explained that all mobile homes are depreciated at 20 years service life, and that it would be better if they were grouped into divisions according to type of construction, single or double wide, amount of actual moving, etc., and this is what this bill is intended to do. She further stated that the Tax Commission Committee is in unanimous support of AB 224.

Mr. Jim Lien, Nevada Tax Commission, stated that they had a line item request for computer gathering of the date required for stratifications of \$40,000 for the first year and \$25,000 for the second. He requested that this be reversed to read \$25,000 for the first year and \$40,000 for the second, because of time framing. Mr. Lien stated that Report 119 deals with the classification of homes under various stratum, and he felt the same should be done with mobile homes as their life span varies from ten years for the small, travel-type trailer to thirty years for the single and double-wide mobile homes that are bought and rarely moved.

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Mr. Bible stated that they do not recommend the date processing, but the Senior Citizen's Tax Rebate had requested monies, and could these two be switched. Mr. Lien stated that they could. Mr. Lien was asked by Mr. Mello if they needed legislation to do this, and Mr. Lien replied in the affirmative. Mrs. Ford stated that this was not an agency request bill.

Mr. Weise asked if there would be an increase or net savings to the counties. Mr. Lien stated that some may receive an increase, it would depend on the type of community, whether it was highly transient, or a retirement area - he felt that for the most part it would be about the same income, as the decreases would offset the increases.

Chairman Mello questioned why the county assessors are not involved in this. Mr. Lien replied that the State Tax Assessor is required to fill this responsibility. Chairman Mello asked if this could be set by the Board, and not have this legislation. Mr. Lien stated that there are two thoughts one this, and he felt it would be better to have the legislation and be completely sure of their position. Chairman Mello asked if this bill was passed, would they have sufficient funds to implement it without the requested monies; and Mr. Lien replied not the \$60,000.

AB 525 "Creates state publications information center." BDR 33-506

Assemblyman Ford stated that Section 37 of the bill repeals the publication of 29 reports by state agencies; Sections 13 - 36 repeals an additional 22. A total of 51 reports are deleted and replaced by three publications from the State Librarian. Section 2 gives the authority to publish a Directory of Public Officials. Section 3 would give the State Librarian the authority to publish a biennial report of the state which would include major legislative action. Section 4 would authorize a biennial book of facts, or statistical abstract which would put all the departmental data in one place,

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instead of many different brochures of different sizes, degrees of decorative art and covers, and suitability for reference work. Sections 6 through 12 creates the state publications office. Section 13 would authorize the State Library to set a price for selling these books to the public on an open market. Ms. Ford stated they are now receiving requests for this type of information and they have nothing to sell. Section 16 repeals the requirement for an appendix to be printed with all departmental reports included. She further stated that they have over 3,400 copies in storage at the present time, that nobody wants. Section 24 relieves the State Printer of judgment decisions which he has not abided by anyway.

Ms. Ford stated that if the bill was adopted it would result in a savings of departmental staff time, departmental costs for printing, art work, etc. She added that most of the agencies interviewed were delighted at the prospect of not being responsible for a yearly report. They would keep some of the more detailed and lengthy reports such as the State Controller, Biennial Legislative Auditor, Capital Improvement Projects, Education, and Tax Commission. She further added that the fourth book in the set would be the legislative Manual.

Ms. Joan Kerschner stated that these books would be listed in the State Blue Book and Reference Publication, which list state published books for sale on the open market. The books currently listed sell from \$4 to \$10. She stated that if we were to sell ours for \$4, we would recover the total cost of printing.

Ms. Ford stated that Budget pages 218 to 220 request the salaries needed by the State Librarian to implement the proposal. She stated that on page 2 of the fiscal note, the copy under explanation, next to the bottom line "general fund" should be crossed out, as some would come from Fish and Game, Highway Department, etc. \$1,000 would accrue from not printing the appendix alone. An unknown amount of staff time, postage would also be saved. There is a possibility that certain agencies could be cut back next session on their publications costs.

Mr. Anderson, State Librarian stated that this was a planning and management concept, and that in the long run they would be able to identify the cost beneficial and cost effective results. He stated that he had not spoken to the governor, but this is not a governor recommended project. He added that it was a task he did not want to undertake if they did not also receive the staff, as they are operating at 1968 strength now, and at absolute staff efficiency. He stated that he did not want to go against staffing proposals, but they could not do it without the proper staff.

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Chairman Mello questioned how long ago he had known about the staff request; Mr. Anderson answered January, a year ago. Chairman Mello asked if he had talked to the Governor. Mr. Anderson stated, not personally, but indirectly, through the Secretary of State, the Governor's Planning Office and Mr. Bible.

Chairman Mello asked why it was explained to him in great detail, and not the Governor. Mrs. Ford stated that the Governor's staff helped in the preparation of the proposal. She further stated that she had spoken to the Governor twice, and had urged him to put the state library positions in, but because they did not have a cost breakdown, he was skeptical. She stated that he was against new positions and new programs, but now he understands it is a replacement program, and now shows interest, and stated that if the Legislature approves it, he would not oppose these new positions.

Mr. Weise asked if there would be further investigation to determine the costs to departments that were marked as unknown at this time. Ms. Ford stated there would be.

AB 55 "Extends veteran's tax exemption to additional veterans." BDR 32-651.

Assemblyman Paul May stated that the intent of this bill is to extend veteran's tax exemption to all veterans. This is a three year phase-in program each one year or \$50,000 per year. By the end of 1981 every vet would be eligible for a property tax exemption.

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Bob Warren, Nevada League of Cities, has an interest in this bill because of the fiscal impact. This will have a large impact on the larger cities and they do not have the slack to pick up the cost. It would mean a loss to the cities and counties and school districts of \$158,000 in the first year, \$225,000 in the second and \$2.8 million in the final year. Veterans have a tendency to move to Nevada, particularly Southern Nevada. The impact in the first year is not really great, but it would eventually increase substantially.

Jim Lien, Tax Commission, states that this allows benefits for all veterans. They have no idea what the growth rate will be. There 89,000 veterans and 70,000 are ineligible. Phasing in the increments would cost \$158,000 and up to \$2.8 million in 1981. This would allow for \$50 per veteran.

Bob Best, Nevada State School Board Association, stated that this would have a substantial impact on the school boards.

Ed Greer, Business Manager - Clark County School District, stated that by the end of 1980 the impact would be almost \$750,000.

Mr. Weise made a motion to recommend an "Indefinite Postponement". Mr. Wittenberg seconded. Motion passed with Mr. Bremner, Mr. Robinson and Mr. Dreyer voting no.

AB 600 "Makes appropriation to Carson Valley Historical Society." BDR S-1663.

Hans Jefferson stated that Douglas County was built in 1865. In 1915 the Courthouse was moved from Genoa to Minden and was transferred to the School District. The Society decided then to take the building over. The building was deeded to the state and then, with the help of Assemblyman Jacobsen, the building was deeded to the Historical Society so they could carry out their plans.

Ms. Lois Jones, Carson Valley Historical Society, stated that they were interested in acquiring this building to house visual history. The building was inspected and determined to be constructionally sound and it should be repaired. The building was cleaned and the outside restored and displays were set up. They have had good response from the public so the Historical Society decided to restore the building and make it a bicentennial project. Grace Steinbert wrote a book about Carson Valley and from this they raised \$4,000. She is planning to publish another book which would also raise money for the Historical Society. The museum in 1973 raised \$1798 by the sale of books, maps, pamphlets, etc. The building was closed in 1974 to restore the exterior at a cost of \$44,000. Douglas County Board of Commissioners donated \$25,000, Fleischmann Scholarship Fund donated \$5,000, the Bicentennial Commission donated \$12,000 on both the Federal and State level and by fund raising they raised \$10,000.

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Knox Johnson, President of the Historical Society, stated that they are asking for \$10,000 to accomplish Phase II of the restoration of the original courtroom, the walls, stairway and heating. \$48,000 is the estimated cost and they expect to have this completed in 1976. The Courthouse is open during the summer months free of charge. This building is of interest to the people of Nevada. They have an application in for additional funds from the American Bicentennial. They also might receive \$6000 from Douglas County, but it is contingent on raising enough money for the project.

Assemblyman Jacobsen stated that a lot of effort has been put into this project by the people of Douglas County and for many years Douglas County even funded their own school district. Douglas County has contributed \$8.5 million to the revenue of the state. There is an estimated population of 10,273 and each person contributes \$832.30 each year. The history of Nevada began in Genoa. They felt that by asking for \$10,000 it still would leave the burden on the people to raise the other \$30,000 to \$35,000. The people have showed an interest in the past two years and they have raised \$10,456 and they should be commended for their effort. This museum would be staffed by volunteers as it is presently.

Mr. Bremner made a motion to recommend a "Do-Pass". Mr. Howard seconded. Motion passed.

AB 500 "Creates an energy management division within the public service commission." BDR 58-1463.

Noel Clark, Public Service Commission, stated that this bill would set up the mechanization of a State allocation office. They are requesting spending authorization not to exceed \$75,000.

Kelly Jackson stated that this allocation program was set up in January 1974 for those Nevada residents who could not get this product. They have operated this program since February 1974 and have redistributed \$8.9 million worth of gas to petroleum users and also diesel fuel. They need one person to be in charge of the department, case resolution officers for 300-350 cases per month and a secretary. The travel is variable. The Out of State travel is \$2700, \$1800 would be for the Chairman to attend Federal/State meetings. The In-State travel depends on what happens allocationwise as they might need to send a person to Las Vegas to process cases. \$4600 would be used for this in-state travel, \$2500 for Office Furniture and Equipment, \$7500 for rent and \$6500 for postage, communications, operation expenses, etc.

Noel Clark stated that they are not asking for the appropriation now, but only the authorization to spend the money. They will be back, however, next session asking for reimbursement for the amount that is not reimbursed by the Federal Government.

Mr. Howard made a motion to recommend a "Do-Pass". Mr. Bremner seconded. Motion passed.

AB 523 "Creates state energy resources advisory board." BDR 46-1462.

The purpose of this bill is to create a board which functions under an Executive order of the Governor. This board will operate without funds and travel to meetings will be at their own expense. The Advisory Committee has performed many useful functions in the energy field. They are requesting \$25,000 in each year: \$4088 for in-state travel, \$1894 for out-of-state travel, \$7000 for a secretary, \$2245 for Office Furniture and Equipment, and \$9773 for other expenses. He is requesting an amendment be made to the bill which would delete lines 22 and 23 on page 2.

Mr. Howard made a motion to recommend a "Do-Pass". Mr. Glover seconded. Motion passed.

AB 24 "Provides for regulation of all proprietary elementary, secondary, and postsecondary educational institutions and their agents that seek to conduct operations in Nevada." BDR 34-56.

Dr. Ken Hansen stated that the purpose is to provide an orderly responsibility of licensing schools. The Department of Education is a K-12 operation and they do not feel that they can do a good job with the postsecondary schools.

John Gamble stated that the fiscal note on the reprint is the correct amount requested. They are now receiving applications for licensing 1-2 schools per month, mostly in the postsecondary area. The following should be added to Section 59 as it was inadvertently left out of the bill: "the bond may be continuous but regardless of the duration of the bond the aggregate liability of the surety shall not exceed the penal sum of the bond."

Dr. Hansen stated that they cannot spend time on useful and important licensing of postsecondary vocational schools such as, poodle schools, dealer schools, crap schools, etc.

Bernie Lenz, President of the Association of Private Schools, stated that the Association feels this is a fair law and looks forward to its success.

Lee Walker, Vice-President, stated that many more people are presently involved and this is becoming a more complex industry. He feels that something is needed to keep the operators of these schools honest and the Department of Education does not have the time. He stated that most of the cost is there anyway but it is spread around. Now the cost is lumped together and seems high.

Bob Best, Nevada School Boards, felt that the time spent licensing private

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schools cuts into the time they can devote to the Kindergarten through twelfth grades.

Mr. Wittenberg made a motion to amend and recommend a "Do-Pass". Mr. Weise seconded. Motion passed.

AB 148 "Substitutes provisions on supplemental security income program for provisions on aid to the blind and old-age assistance." BDR 38-154.

Ace Martel stated that this removes reference to programs no longer in existence and makes reference to those that are. It is strictly a clean-up piece of legislation. An amendment has been proposed by Health and Welfare and endorsed by Ways and Means as follows: delete page 1, lines 7 and 8 and insert "otherwise eligible for such services pursuant to Title XX of the Social Security Act as amended from time to".

Mr. Dreyer made a motion to amend and recommend a "Do-Pass". Mr. Glover seconded. Motion passed.

AB 420 "Enacts Interstate Compact on the Placement of Children." BDR 38-147

The fiscal note amount is for a secretary, but is not all General Fund money. It is 75%/25% matching due to Social Services. The state amount for 1976 would be \$2972 and the Federal would be \$8915. In 1977 the state amount would be \$3004 and the Federal would be \$9011.

SB 393 "Transfers preparation and publication of Nevada Highways and Parks magazine from department of highways to department of economic development." BDR 18-1380

Grant Bastian stated that it was the consensus of the Board and Commission to have this transferred to Department of Economic Development. If this magazine remains in the Highway it will die because they cannot fund it. They do not feel they are competent enough to manage the magazine and the Department of Economic Development has a person who is competent. They have made an effort to make the magazine self-sustaining and have never paid over 48% of the cost.

Bob Goodman, Department of Economic Development, stated that he felt they could make it work in two years and they might be able to make a profit.

Mr. Glover made a motion to recommend a "Do-Pass" with a letter of intent that they have two years to make it or it will be eliminated next Session. Mr. Dreyer seconded. Motion passed.

SB 489 "Makes appropriation to legislative counsel bureau for cost of reproduction of Nevada Reports." BDR S-1619.

Art Palmer stated that it would cost \$54,000 to reproduce the copies of the Nevada Report which is a report of all Supreme Court decisions. They are planning on reproducing 200 copies each of 12 numbers out of print or in short supply. The sale price per copy is \$10 as established by the Supreme Court. The sale price is now \$11, however, since they are being distributed by the Legislative Council Bureau. This amount does not cover production costs. Section 345.050 would be required to change the sale amount. Chairman Mello felt the price should be raised to cover the production costs.

Mr. Howard made a motion to amend the sale amount and recommend a "Do-Pass". Mr. Weise seconded. Motion passed.

The meeting adjourned at 9:30 A.M.