

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
JANUARY 30, 1975

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The meeting was called to order at 8:30 a.m.

Senator Floyd R. Lamb was in the Chair.

PRESENT: Senator Floyd R. Lamb, Chairman
Senator James I. Gibson, Vice-Chairman
Senator Clifton Young
Senator William J. Raggio
Senator B. Mahlon Brown
~~Senator Warren L. Monroe~~

ABSENT: Senator Lee E. Walker

OTHERS: Professor Sandorf, Vice-Chairman, Public Works Bd.
Cy Ryan, UPI
Senator Hilbrecht
James Lien, Nevada Tax Commission
Ron Sparks, Chief Deputy Fiscal Analyst
Howard Barrett, State Budget Director

Mr. Howard Barrett opened the meeting by passing out to the Senators a three-page information sheet describing the State Building Leases and the amount of square footage involved, as well as the yearly rent. Senator Raggio asked if the Budget Department has the authority to review the leases. Mr. Barrett confirmed this. Senator Gibson asked if lease buildings are bid on before the leases are confirmed. Mr. Barrett answered that no two buildings are the same, and so a bidding policy has been avoided. Senator Young asked if other states had better policies toward leasing. Mr. Barrett responded that they did as far as he knew, however finding any lease space at all in the State was difficult.

Senator Lamb, before beginning on the scheduled agenda, asked Senator Raggio if he would please submit a report to the Committee on five or six law firms, giving their employee wages. The report is to cover firms in both Northern and Southern Nevada.

PUBLIC WORKS BOARD

Mr. Bill Hancock distributed a two-page handout titled, "State Public Works Board; Organization, Functions, Programs".

Senator Lamb asked if Mr. Hancock had investigated the need of the new Highway Maintenance Building on Arden Boulevard in Las Vegas. Mr. Hancock answered that he did not know the specific justification, his department was only to "O.K." the plans.

Mr. Hancock said that Capital Improvement, Staff, and the Operating budget have increased. The ratio now is for every \$1.00

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PUBLIC WORKS BOARD (Cont.)

in the budget, it costs \$46.00 in in-place construction.

Mr. Hancock said his Board is requesting the new position of Assistant Chief Building Inspector. This position is now paid with project funds, and in order to prevent a lay-off, this position needs to be funded out of the regular payroll.

~~Mr. Hancock stated that his in-state travel, as well as, his department's out-of-state travel is sanctioned by the Attorney General.~~

Senator Lamb asked what did the Department's 1973-74 program accomplish. Mr. Hancock answered that 72.09% of his Department's projects are now complete, and he expects a full 80.00% by July, 1975. Mr. Hancock explained that the remaining projects are being delayed in the most part due to a lack of funds.

ECONOMIC DEVELOPMENT

Mr. Bob Goodman introduced Mr. Darryl Monahan, Deputy Director of Tourism, to speak on this budget.

Mr. Monahan said this Department is requesting only one new position of Career Aid, to be used mainly in the mailroom,

Senator Brown inquired as to the \$40,000 requested for the "Visitors Survey". After much general discussion, the Senators concurred that a survey inquiring into the amount of visitor state travel could be as easily handled by the local Chambers of Commerce. Mr. Monahan suggested that the Chambers were too varied in their reports, and that specific days and monies spent in Nevada by out-of-state travelers were needed. Mr. Monahan estimated the cost of the survey by using his department and local citizen volunteers. Mr. Monahan said that his department felt the survey was necessary in order to have ready information concerning visitor travel for testimony presentation to Federal inquiries on prospective gas rationing.

Senator Raggio asked about the "Contractual Services", requesting \$58,760. Mr. Monahan said this amount is needed for varying research manuals dealing with industry, motion picture contracts, advertising, and international development.

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ECONOMIC DEVELOPMENT (Cont.)

Senator Raggio asked about the \$50,700 for "Communications Expense". Mr. Goodman answered that this is used for liaison with local communities in aiding with their development by matching funds for their plans.

Senator Young requested that this department give a line-item list of past Biennium results for which they take credit. Senator Gibson suggested that in order to save time, perhaps a written resume on this would be in order.

Senator Gibson asked about the \$18,200 for "Out-of-State Travel". Mr. Goodman answered that this is primarily used to travel to various other parts of the nation and learn the developmental plans of industries, and try to negotiate for development in Nevada.

Mr. Monahan then gave a presentation on a "one-shot" item, which is an advertising campaign to aid rural Nevada activities. He said that his Department will run "saturated" ads on selective events throughout the State and try to encourage out-of-state visitors. He explained the term "saturated" as meaning: weekly newspaper ads, radio ads with out-of-state as well as in-state stations, and public appearances of celebrities involved in the events, at luncheons, on television, and on radio. Senator Brown asked why there is a need for in-state advertising. Mr. Monahan said that Northern events would be advertised in the Southern part of the State, and vice-versa.

Mr. Goodman closed the presentation with a statement that basically stated: although the State's number one industry is tourism, and that that industry should be adhered to, other industries need to be brought into the State in order to give Nevada economical diversification.

TAX COMMISSION

Mr. Jack Sheehan began by presenting his Department's new positions. Mr. Sheehan placed them into categories of Priorities I, II, and III. Priority I requests are to accommodate the Department's weak points; Priority II is to accommodate the growth needs; and Priority III is to accommodate the proposed Dr. Atkinson's Interim Tax Committee's report suggestions.

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TAX COMMISSION (Cont.)

Senator Gibson inquired about the large increase in the funding of "Operating Supplies". Mr. Sheehan answered this is due to the \$30,000 needed by the Cigarette Tax Administration which will change the stamping method on cigarette packages from the Pitney-Bowes ink system, to a decal.

Mr. James Lien said that the "Communications Expense" increase is due to increased postage costs, and mounting use of phones instead of using automobiles.

Senator Lamb inquired into the "Legal and Court Expense". Mr. Howard Barrett said that \$29,000 is for Mr. Jim Salo's salary, and fringe benefits. And that \$11,071 is for court costs. Mr. Salo's salary is determined by the Attorney General, and this amount could be subject to change, Mr. Barrett concluded.

Senator Gibson asked about the "Multi State Tax Commission". Mr. Sheehan answered that Nevada is now a member. If California should join, we can discuss the problem now developing on California's sales tax being higher than Nevada's, and therefore causing a tax credit when some items are brought into Nevada. Mr. Sheehan said that if Nevada became an Associate member only, the State would lose her voting power.

Mr. Sheehan said that his Department has employees in California (two employees in Los Angeles; one employee in San Francisco), in order to deal with inter-state tax problems. For instance, he stated, that California has a withholding tax for individuals who's jobs require inter-state travel. Mr. Sheehan said that this requirement has hit the truckers hardest. Senator Gibson added that another problem is with Hoover Dam employees who pay California income tax, although they are residents of Boulder City, Nevada.

Senator Brown said another problem is the legal lack of cigarette tax on packages sold on Indian Reservations. Mr. Sheehan agreed that .10¢ is lost in taxes for every pack of cigarettes sold on Reservations. There isn't even a use tax if the cigarettes are purchased out-of-state, as they are now in Oregon, stated Mr. Sheehan. Senator Lamb closed the Committee meeting by asking Mr. Sheehan to try and find a feasible state legislative solution to these problems, and present it back to the Finance Committee.

RESPECTFULLY SUBMITTED:


Sheba L. Woolley, Secretary

APPROVED:


Floyd R. Lamb, Chairman