

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
APRIL 18, 1975

~~574~~

The meeting was called to order at 8:00 a.m.

574

Senator Floyd R. Lamb was in the Chair.

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

OTHERS: Senator Gary Sheerin, Marlette Lake Project
Paul Lumos, Director of Public Works for Carson City
Henry Etchemendy, City Manager for Carson City
Phil Hanniffin, Gaming Commission
Russ McDonald, Washoe County
Jack Sheehan, Tax Commission
Dick Rottman, Insurance Director
John Duarte, State Welfare
Bill Debois, Nevada Industrial Commission
John Reiser, N.I.C.
Howard Barrett, Budget Director
Ron Sparks, Fiscal Analyst

SB 518-

Senator Gary Sheerin presented a map display of the Marlette Lake proposal. Senator Sheerin said the report on this project calls for Marlette Lake to be the primary source of water, and for well water to be used for peak use; however, Carson City wants Marlette to be the peaking system, and the ground water to be the main source, because this will eliminate the need for a treatment plant. Senator Sheerin said this bill will allow the purchasing of 50 year bonds, and Carson City will reimburse the money. Senator Sheerin said that the State would own the system and the water, and Carson City would have the responsibility to take care of the State property, and see that water gets to Virginia City and Lakeview.

Mr. Paul Lumos said there is a problem facing Carson City as it now has a population of 15,000, and is projected for 1990 to have 44,000. Mr. Lumos said that the City can develop 5,800 acre feet out of Eagle Valley, and this will provide water until 1977 and 1978. Mr. Lumos said that the only alternatives are Marlette Lake and Carson Valley.

Senator Raggio asked what was the quality of water in Carson Valley. Mr. Lumos said that it meets the Public Health standards, but the odor of sulphur is evident, and this could be solved by chlorination. Mr. Lumos said there are legal complications involved in the use of Carson Valley water. Mr. Lumos said that Marlette drainage yield is 2,800 acre feet, and it is felt that the water company will not be able to afford the \$8 million expenditure involved in Marlette if the treatment plant is included.

PAGE TWO

Senator Lamb asked why Carson City does not buy the Marlette System. Mr. Lumos said that negotiations on this are closed. Mr. Lumos handed out a cost sheet on the costs of the two alternatives; and the total cost from a March, 1976 projection estimate is \$4,268,800 for Marlette Lake, and \$5,886,481 for Hobart Lake. Mr. Lumos said the lower cost, and the fact that the City can have more water at lower costs from Marlette made up their mind.

Senator Raggio asked how long the 2,000 acre feet from Marlette would last. Mr. Lumos said until 1982, or 1985. Senator Raggio asked what percentage does the State pay for water now. Mr. Lumos said none, but the City anticipates that \$65,000 per year will be the amount of revenue for the State, and \$270,000 is the amount of the bond repayment. Mr. Henry Etchemendy said that the debt from Marlette would be \$600,000 per year; \$500,000 of which is the bond indebtedness, and the rest is for operating costs.

Senator Young asked how the rates will be set. Mr. Lumos said this will be determined by negotiation. Senator Young asked what the taxes will be for the State. Mr. Etchemendy said the State presently pays in lieu tax. Senator Lamb said the Tax Commission said the State would also pay taxes on the water line. Senator Young asked if Marlette will also satisfy the State needs. Mr. Lumos said the current proposal only calls for use of one-half the potential acre feet.

Mr. Barrett said to Senator Raggio that the State would like to turn the responsibility of the water over to Carson City, so the State won't have to pay for a treatment plant. Mr. Barrett also said that the State would like a guaranteed rate for the State written in the contract; and he added, that the residential rate will change, but the State's percentage will not.

Senator Gibson said if Marlette is used as a peaking system, how will the rates be set. Mr. Lumos said that Carson City will guarantee the demand charge. Mr. Barrett said that Carson City will pay the State one month before the interest is due.

SB 516

Mr. Phil Hannifin said that this bill will allow the civil suit action to begin in five years; and if the Commission charges fees in excess of the amount owed, the Commission will pay the refund at 7% interest, and if when the licensee is audited and shows owing, the repayments will have an additional 7% interest. Senator Lamb asked what if the rates change. Senator Raggio said 7% is the legal rate for a judgement.

SB 470

Mr. Russ McDonald said that the Tax Commission ordered that the land in Washoe County be reappraised. Mr. McDonald said the problem with this is that the goal is to accomplish this in two and one-half years with computerization, and there are increases in the assessed value

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
APRIL 18, 1975

~~111~~

PAGE THREE

576

SB 470 (Cont.)

each year. Mr. McDonald said that currently, neither the State, nor the school districts are included as taxing units; so the bill could be amended to recommend the involvement of the school districts, and the 6% for the State. Mr. McDonald said it will take approximately three years under this plan to reach current assessed valuation. Senator Brown asked if the Tax Commission has studied the areas not assessed for the last five years. Mr. Jack Sheehan said that some areas hadn't been assessed for twelve years.

Senator Brown said this should be the responsibility of each county every five years; and it would increase their revenue.

Senator Gibson asked what the 6% for the State meant in dollar terms. Mr. McDonald said \$13,000 for the first year; \$11,000 the second year; and, \$10,763 for the third. Mr. McDonald said these figures are based on a 41% responsibility by the school district in Washoe, and they haven't accepted this as of yet.

SB 202

The money appropriation said Mr. Dick Rottman is for the Escrow Officer, a secretary, equipment, and office space. Mr. Rottman said this would mean \$25,000 for the first year, and \$23,000 for the second year.

Senator Raggio asked if this law would cover the title companies. Mr. Rottman said it would affect the escrow portion; but there is currently very little regulation for title insurance. Mr. Rottman said that banks, and savings and loan companies would be exempted.

Senator Young asked if there have been abuses. Mr. Rottman said yes in the area of deposits.

Senator Monroe asked about the salaries of the new positions. Mr. Rottman said the officer would be a Grade 37 at \$15,000 to \$16,000, and the secretary at \$6,500.

AB 205

Mr. John Duarte said this involves \$1,296,553 of the General Fund. Senator Walker asked if the money is returned back to the recipient. Mr. Duarte said yes, on a monthly basis.

AB 237

Mr. Doug Simeroth told Senator Lamb that this bill is the result of a Federal mandate.

PAGE FOUR

AB 409

Senator Lamb said that it is a dangerous operation to reactivate mines, and he would like the mine inspector to be unclassified. Mr. Bill Debois said they would also like to request that the deputies be unclassified too.

Mr. Barrett said this appropriation would cover the salaries, but SB 190 would set the exact amount. Mr. Barrett said that it was felt that the expenditure of general funds could be justified because there are some non-health and non-safety items involved in the Mining Safety Office.

Senator Gibson asked about the current status of the Nevada Industrial Commission with OSHA. Mr. John Reiser said that during a three-year developmental program, the State hopes to import Federal officers to monitor their own program. Senator Young asked how many people have taken the training. Mr. Reiser said that twelve people have been sent back for the OSHA course, and there will be twenty in the next couple of months.

SB 516 (See Attached bill)

Senator Young - Do Pass
Senator Raggio - 2nd
Motion Carried.

SB 470 (See Attached bill)

Senator Brown said this should be done by the counties on a five-year basis. Senator Gibson said this expenditure is for a computerized program and this could be accomplished in two and one-half years instead of five.

Senator Brown and Raggio felt this should be available for the entire State.

Senator Monroe - Do Pass with the recommendation that the Tax Commission bring in the Washoe County School District.
Senator Gibson - Amend the Motion, and Do Pass to the amount of money up to whatever portion the State receives from each county for property tax.
Senator Raggio - 2nd
Motion Carried.

Senator Lamb said a letter intent would be sent to the Tax Commission defining this apportionment, (see attached).

SB 202 (See Attached bill)

Senator Monroe - Do Pass

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
APRIL 18, 1975

578

PAGE FIVE

Senator Young - 2nd
Motion Carried.

AB 237 (See attached bill)

Senator Gibson - Hold
Senator Young - 2nd
Senator Monroe - "NO"
Motion Carried.

AB 205 (See attached bill)

Senator Raggio - Do Pass
Senator Walker - 2nd
Motion Carried.

AB 409 (See attached bill)

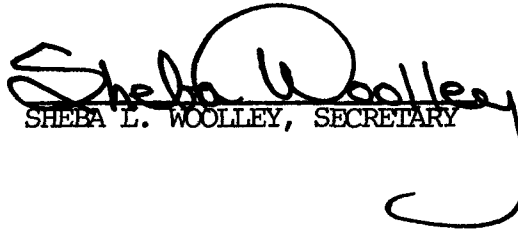
Senator Brown - Do Pass
Senator Monroe - 2nd
Motion Carried.

SB 518

Vote on this bill will be held until a later date.

There being no further business, the meeting was adjourned at
10:20 a.m.

RESPECTFULLY SUBMITTED:


SHEBA L. WOOLLEY, SECRETARY

APPROVED:


FLOYD R. LAMB, CHAIRMAN

FILE

~~153~~

579

APRIL 23, 1975

Mr. Jack Sheehan
Nevada Tax Commission
Carson City, Nevada 89701

Dear Jack:

The Senate Finance Committee passed SB 470 on April 18, 1975, which appropriates \$281,470 to the equalization county matching fund created pursuant to N.R.S. 360.190.

The specific intent of the Committee in passing this bill is to make these funds available to all counties, and Carson City, in proportion to the property taxes received by the State from the counties and Carson City. In this manner, all counties and Carson City may share these funds, and no one county or Carson City may receive more than this proportion.

RESPECTFULLY YOURS,

FLOYD R. LAMB
CHAIRMAN, SENATE FINANCE

FRL/slw

S. B. 516

SENATE BILL NO. 516—COMMITTEE ON FINANCE

APRIL 11, 1975

Referred to Committee on Finance

SUMMARY—Provides for the collection of underpayments and the refund of overpayments of certain gaming license fees and casino entertainment taxes together with interest thereon. Fiscal Note: No. (BDR 41-1407)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to gaming licensing and control; providing for the collection of underpayments and the refund of overpayments of certain gaming license fees and casino entertainment taxes; providing for payment of interest; increasing the limitation period for civil actions for collection of fees, interest, penalties or tax; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

1 **SECTION 1.** NRS 463.142 is hereby amended to read as follows:
2 463.142 1. At any time within [3] 5 years after any amount of fees,
3 interest, penalties or tax required to be collected pursuant to the provi-
4 sions of this chapter becomes due and payable, and at any time within
5 [3] 5 years after the delinquency of any amount of such fees, interest,
6 penalties or tax, the commission may bring a civil action in the courts of
7 this state, or any other state, or of the United States, in the name of the
8 State of Nevada to collect the amount delinquent together with penalties
9 and interest. An action may be brought even though the person owing the
10 amount is not a gaming licensee under the provisions of this chapter.
11 2. If the action is brought in this state:
12 (a) A writ of attachment may issue, and no bond or affidavit previous
13 to the issuing of the attachment is required.
14 (b) The records of the commission shall be prima facie evidence of the
15 determination of the tax or the amount of the tax, the delinquency of the
16 amount set forth and compliance by the commission with all the provi-
17 sions of this chapter in relation to the computation and determination of
18 the amounts.
19 **SEC. 2.** NRS 463.370 is hereby amended to read as follows:
20 463.370 1. Except as provided in NRS 463.373, before issuing a
21 state gaming license, the commission shall charge and collect from each
22 applicant a license fee based upon all the gross revenue of such applicant
23 as follows:

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 470

SENATE BILL NO. 470—COMMITTEE ON
GOVERNMENT AFFAIRS

APRIL 7, 1975

Referred to Committee on Finance

SUMMARY—Makes appropriations to equalization county matching fund to assist counties in carrying on equalization program. Fiscal Note: Yes. (BDR S-1627)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT giving assistance to counties for the development of computer assisted appraisal systems; creating a county computer assisted appraisal system assistance fund in the state treasury and specifying the conditions for grants therefrom; making appropriations from the general fund in the state treasury to the equalization county matching fund and the county computer assisted appraisal system assistance fund; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 360 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:
3 1. *There is hereby created in the state treasury a county computer*
4 *assisted appraisal system assistance fund to be administered by the depart-*
5 *ment. The fund is a continuing fund to be used to aid counties in the devel-*
6 *opment of computer assisted appraisal systems.*
7 2. *A county may apply to the department for one or more grants*
8 *from the county computer assisted appraisal system assistance fund if*
9 *such county has been directed by the department to develop a plan*
10 *designed and intended to achieve an assessment ratio of 35 percent of*
11 *full cash value and such a county plan incorporating a computer assisted*
12 *appraisal system has been approved by the department.*
13 3. *Upon receipt of an application by a county for a grant from the*
14 *county computer assisted appraisal system assistance fund and receipt of*
15 *evidence that the county has provided funds in its budget for the purpose*
16 *of development of a computer assisted appraisal system the department,*
17 *with the consent of the state board of examiners, may make the grant*
18 *under such terms and conditions as the department deems advisable and*
19 *necessary and insofar as it is possible to do so within funds appropriated*
20 *for this purpose.*

(REPRINTED WITH ADOPTED AMENDMENTS)
FIRST REPRINT

S. B. 202

SENATE BILL NO. 202—SENATOR HERR

FEBRUARY 17, 1975.

Referred to Committee on Judiciary

SUMMARY—Requires title insurance companies transacting escrow services to be licensed as escrow agents and places restrictions on escrow accounts. Fiscal Note: No. (BDR 54-958)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to escrow agents; transferring the regulation of escrow agents from the real estate division to the insurance division of the department of commerce; specifying certain matters to be included in regulations of the commissioner of insurance; clarifying responsibilities of escrow agents; revising provisions for exemption from regulation; providing penalties; making an appropriation; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Title 57 of NRS is hereby amended by adding thereto a
2 new chapter to consist of the provisions set forth as sections 2 to 24, inclu-
3 sive, of this act.
- 4 SEC. 2. As used in this chapter, unless the context otherwise requires:
- 5 1. "Escrow" means any transaction wherein one person, for the pur-
6 pose of effecting the sale, transfer, encumbering or leasing of real or per-
7 sonal property to another person, delivers any written instrument, money,
8 evidence of title to real or personal property, or other thing of value to a
9 third person until the happening of a specified event of the performance of
10 a prescribed condition, when it is then to be delivered by such third person
11 to a grantee, grantor, promisee, promisor, obligee, obligor, bailee, bailor
12 or any agent or employee of any of the latter.
- 13 2. "Escrow agent" means any person engaged in the business of
14 administering escrows for compensation.
- 15 SEC. 3. 1. A license as an escrow agent may be obtained by filing a
16 written application in the office of the commissioner.
- 17 2. The application shall:
- 18 (a) Be verified.
- 19 (b) State the location of the applicant's principal office and branch
20 offices in the state.
- 21 (c) State the name under which the applicant will conduct business.

THIS EXHIBIT IS 8 PAGES LONG.
CONTACT THE RESEARCH LIBRARY FOR
A COPY OF THE COMPLETE EXHIBIT

A. B. 237**ASSEMBLY BILL NO. 237—ASSEMBLYMEN CHANEY, BENNETT, PRICE, CHRISTENSEN, SENA AND HARMON**

FEBRUARY 11, 1975

Referred to Concurrent Committees on Health and Welfare and
Ways and MeansSUMMARY—Removes durational residence requirement for aid to dependent
children. Fiscal Note: No. (BDR 38-675)EXPLANATION—Matter in *italics* is new; matter in brackets [] is
material to be omitted.AN ACT relating to aid to dependent children; removing unconstitutional require-
ment of durational residence for aid to dependent children; and providing
other matters properly relating thereto.*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 425.060 is hereby amended to read as follows:
2 425.060 Assistance shall be provided any dependent child who is
3 otherwise eligible *and* who:
4 1. [Has resided in the state for 1 year immediately preceding the
5 application for such assistance; or] *Is a resident of this state; or*
6 2. [Was born within 1 year immediately preceding the application for
7 such assistance if the parent or other relative with whom the child is liv-
8 ing has resided in the state for 1 year immediately preceding the birth; or
9 3. Was born within 1 year immediately preceding the application for
10 such assistance if the parent or other relative with whom the child is living
11 has resided in the state for 1 year immediately preceding the application.]
12 *Is living with a parent or other relative who is a resident of this state,*
13 *at the time of the application for such assistance.*

A. B. 205**ASSEMBLY BILL NO. 205—COMMITTEE ON
WAYS AND MEANS**

FEBRUARY 4, 1975

Referred to Committee on Ways and Means

SUMMARY—Makes supplemental appropriation from general fund to the welfare division. Fiscal Note: No. (BDR S-854)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT making additional and supplemental appropriation from the general fund in the state treasury to the welfare division of the department of human resources for the old-age assistance program; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. For the fiscal year ending June 30, 1975, there is hereby
2 appropriated from the general fund in the state treasury the sum of
3 \$576,020 to the welfare division of the department of human resources
4 for the old-age assistance program to maintain the levels of cash grants
5 payable to elderly citizens and to insure reasonable payments to those
6 adult group care facilities which house and care for certain recipients of
7 aid. This appropriation is additional and supplemental to that allowed
8 and made by section 33 of chapter 769, Statutes of Nevada 1973.
9 SEC. 2. After June 30, 1975, the unexpended balance of the approp-
10 priation made by section 1 shall not be encumbered or committed for
11 expenditure and shall revert to the general fund.
12 SEC. 3. This act shall become effective upon passage and approval.

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 409

ASSEMBLY BILL NO. 409—ASSEMBLYMEN DINI AND GETTO

MARCH 14, 1975

Referred to Concurrent Committees on Ways and Means and Government Affairs

SUMMARY—Makes appropriation from state general fund to office of inspector of mines. Fiscal Note: Yes. (BDR S-1015)

EXPLANATION—Matter in italics is new; matter in brackets [] is material to be omitted.

AN ACT making appropriations from the state general fund to the office of the inspector of mines; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. 1. There is hereby appropriated from the state general
- 2 fund to the office of the inspector of mines the following sums:
- 3 (a) For the fiscal year ending June 30, 1975..... \$26,880.
- 4 (b) For the fiscal year ending June 30, 1976..... \$53,760.
- 5 (c) For the fiscal year ending June 30, 1977..... \$53,760.
- 6 2. The amounts appropriated by paragraphs (a), (b) and (c) of
- 7 subsection 1 shall be expended for the operation of the office of the
- 8 inspector of mines.
- 9 3. After June 30, 1975, any unexpended balance of the appropriation
- 10 made by paragraph (a) of subsection 1 for the fiscal year 1974-1975
- 11 shall be transferred to and added to the amount appropriated by para-
- 12 graph (b) of subsection 1 and may be expended during fiscal year 1975-
- 13 1976, subject to the provisions of subsection 2.
- 14 4. After June 30, 1976, any unexpended balance of the appropriation
- 15 made by paragraph (b) of subsection 1 for the fiscal year 1975-1976
- 16 together with any amounts transferred pursuant to subsection 3 shall be
- 17 transferred to and added to the amount appropriated by paragraph (c)
- 18 of subsection 1 and may be expended during fiscal year 1976-1977,
- 19 subject to the provisions of subsection 2.
- 20 5. After June 30, 1977, any unexpended balance of the appropria-
- 21 tion made by paragraph (c) of subsection 1 for the fiscal year 1976-
- 22 1977 together with any amount transferred pursuant to subsection 4 shall
- 23 not be encumbered or committed for expenditure and shall revert to the
- 24 state general fund.
- 25 SEC. 2. This act shall become effective upon passage and approval.