

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
MAY 16, 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 B. Mahlon Brown
Senator William J. Raggio
Senator Clifton Young
Senator Warren L. Monroe
Senator Lee E. Walker

OTHERS: Assemblyman Danny Demers, A.B. 505
Assemblyman Robert Heaney, A.B. 284
Pat Dolan, Deputy Attorney General
Howard Barrett, Budget Director
Ron Sparks, Fiscal Analyst

A.B. 505

Assemblyman Danny Demers said that he introduced this bill because individuals cannot afford to fight the Internal Revenue Service alone. Assemblyman Demers said that in Southern Nevada there is a noticeable problem with the dealers, and the Nevada Test Site workers. Assemblyman Demers said that the dealers are being taxed for tips, and the test site workers are being questioned in the possibility of deducting mileage subsistence.

Senator Young asked if the dealers are being taxed for tips. Assemblyman Demers said that there is an average of \$1,200 additional taxes per year for dealers, and \$900.00 for the test site workers. Senator Gibson commented that the rationale on tips is that they are gifts, but if the case now in the Appeals Court is reversed, and later reversed at the Supreme Court level, this bill will not hold much significance.

A.B. 284

Assemblyman Robert Heaney asked that the Committee reconsider this bill.

Senator Raggio asked how can this bill be limited to the appropriated amount. Pat Dolan said that this could be included in the bill.

Assemblyman Heaney was concerned with the wording on the "pure" victim. He said that if this is not in favor with the Committee, then perhaps Lines 18 and 19 on Page three could be deleted, and the inclusion of funeral expense coverage could be placed in Lines 10 and 11.

Senator Young was concerned that there was even one court case on this, as this could mean that the State would be required to make a payment for this. Mr. Dolan said that this is the first time that the State has been sued for this, but he felt that the court would uphold the ruling that Board decisions are final. Senator Lamb stated that to him this would be an invitation of suits against the State. Mr. Dolan said that this is why he wants to make this action a matter of grace.

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Assemblyman Heaney said that it would frustrate the entire intent of the bill if the "pure" victim clause was removed.

The Committee felt that Assemblyman Heaney and Mr. Dolan should come back with an amendment that makes the law more precise and definite as to fiscal impact.

A.B. 791 (See attached bill)

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

A.B. 505 (See attached bill)

Senator Monroe - Hold in Committee
Senator Young - 2nd
Motion Carried.

A.B. 284

Senator Gibson said that this bill should not be revived until the Committee has seen the amendment that strengthens the existing law.

A.B. 472 (See reprint)

Senator Young - Motion to adopt the amendments
Senator Gibson - 2nd
Motion Carried.

S.B. 151 (See reprint)


Senator Monroe - Do not concur
Senator Young - 2nd
Motion Carried.

There being no further business, the meeting adjourned at 9:20 a.m.

RESPECTFULLY SUBMITTED:

APPROVED:


FLOYD R. LAMB, CHAIRMAN


SHEBA L. WOOLLEY, SECRETARY

A. B. 791

**ASSEMBLY BILL NO. 791—COMMITTEE ON
WAYS AND MEANS**

MAY 12, 1975

Referred to Committee on Ways and Means

SUMMARY—Authorizes appropriate disposition of Virginia & Truckee Railroad rolling stock. Fiscal Note: No. (BDR S-1930)

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

AN ACT relating to certain historic railroad rolling stock; authorizing the interim finance committee to investigate and make an appropriate disposition thereof; and providing other matters properly relating thereto.

1 WHEREAS, The Nevada state park system is now charged with the cus-
2 tody and any feasible restoration and display of certain obsolete but his-
3 toric rolling stock of the former Virginia & Truckee Railroad; and

4 WHEREAS, Investigation has shown that the restoration and appropriate
5 housing of these items for display would entail substantial expense; and

6 WHEREAS, It appears possible that a private or nonprofit enterprise
7 might assume these tasks and thereby accomplish the purpose of their
8 appropriate preservation and display as historic objects without cost to the
9 state; now, therefore,

10
11 *The People of the State of Nevada, represented in Senate and Assembly,*
12 *do enact as follows:*
13

14 SECTION 1. The interim finance committee shall pursue the investi-
15 gation, begun by the standing committees on finance and ways and means,
16 of possible dispositions of the Virginia & Truckee Railroad rolling stock
17 now held by the State of Nevada which would accomplish the general
18 objectives of having it suitably restored and displayed. If the interim
19 finance committee finds that one or more such dispositions are feasible, it
20 shall select the one most advantageous to the state and to the public
21 interest. If it further finds that such disposition is more advantageous to
22 the state than retention of the rolling stock, upon consideration of both
23 costs and benefits, the interim finance committee is authorized to make the
24 selected disposition and the Nevada state park system is relieved, as soon
25 as the disposition is accomplished, of further responsibility in the premises.

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 505

ASSEMBLY BILL NO. 505—ASSEMBLYMEN DEMERS,
GETTO, WAGNER AND JACOBSEN

APRIL 1, 1975

Referred to Committee on Ways and Means

SUMMARY—Authorizes state participation on behalf of Nevada citizens in certain proceedings involving federal tax regulations and makes appropriation. Fiscal Note: Yes. (BDR 32-1473)

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

AN ACT relating to taxation; authorizing state participation on behalf of Nevada citizens in certain proceedings involving federal tax regulations adversely affecting their economic well-being; requiring matching funds by citizens adversely affected; making an appropriation; and providing other matters properly relating thereto.

1 WHEREAS, The power of government to tax is one of its strongest and
 2 most pervasive powers and, when abused, becomes an instrument for
 3 oppression and destruction; and
 4 WHEREAS, The Internal Revenue Service is abusing its powers by
 5 unduly pressing its audit, investigation and collection effort mainly against
 6 wage earners who do not have the resources to effectively challenge its
 7 claims; and
 8 WHEREAS, Taxpayers who must bear substantial additional costs in
 9 professional services to prove their claims in a tax dispute with the Inter-
 10 nal Revenue Service have no means to recover these costs from the
 11 Service and are irreparably damaged; now, therefore,
 12
 13 *The People of the State of Nevada, represented in Senate and Assembly,*
 14 *do enact as follows:*
 15
 16 SECTION 1. Chapter 360 of NRS is hereby amended by adding
 17 thereto a new section which shall read as follows:
 18 1. *The governor may authorize the Nevada tax commission to initiate*
 19 *or otherwise participate in any suit or other proceeding in federal court*
 20 *or before any governmental agency on behalf of the citizens of this state*
 21 *in any matter involving the enforcement of a federal tax regulation*
 22 *adversely affecting the economic well-being of 500 or more households*
 23 *within this state.*

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 472

ASSEMBLY BILL NO. 472—COMMITTEE ON
WAYS AND MEANS

MARCH 25, 1975

Referred to Committee on Ways and Means

SUMMARY—Increases maximum salaries for classified employees and provides salary adjustments. Fiscal Note: No. (BDR 23-1394)

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

AN ACT relating to the state personnel system; increasing the maximum annual salary for classified employees and increasing maximum salaries for certain dental, medical and other positions; adding certain positions to those listed; providing for salary adjustments; 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 284.175 is hereby amended to read as follows:
- 2 284.175 1. After consultation with appointing authorities and state
- 3 fiscal officers, and after a public hearing and approval by the commission,
- 4 the chief shall prescribe rules and regulations for a pay plan for all
- 5 employees in the classified service.
- 6 2. The pay plan and amendments thereto shall become effective only
- 7 after approval by the commission and the governor.
- 8 3. The chief shall prepare a pay plan and ranges for each class,
- 9 grade or group of positions in the classified service. Each employee shall
- 10 be paid at one of the rates set forth in the pay plan for the class of position
- 11 in which he is employed and at such time as necessary funds are
- 12 made available for such payment.
- 13 4. The chief shall prescribe rules and regulations that provide for
- 14 progression through the rate ranges based on merit and fitness alone.
- 15 Upon approval of the commission such rules and regulations shall
- 16 become effective.
- 17 5. Except as otherwise provided in this subsection, no employee in
- 18 the classified service may receive a salary exceeding ~~[\$24,684]~~ \$30,147
- 19 a year. Employees filling the following described positions in the classi-
- 20 fied service may receive annual salaries not to exceed the following
- 21 specified amounts:

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

S. B. 151

SENATE BILL NO. 151—SENATOR BRYAN

FEBRUARY 4, 1975

Referred to Committee on Finance

SUMMARY—Makes appropriation to state distributive school fund.
Fiscal Note: No. (BDR S-775)

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

AN ACT making an appropriation to the state department of education for the purpose of nonrecurring capital outlays, lease or purchase of school buses, acquisition of library books, minor construction projects and other necessary items by recipient school district.

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 general fund
- 2 in the state treasury to the state department of education the sum of
- 3 \$2,000,000.
- 4 2. The funds appropriated by subsection 1 shall be:
- 5 (a) Distributed by the state department of education to the county
- 6 school districts on the basis of the ratio that each county school district's
- 7 1974-75 enrollment bears to the total statewide 1974-75 enrollment;
- 8 and
- 9 (b) Expended by the recipient school district for nonrecurring capital
- 10 outlays, lease or purchase of school buses, acquisition of library books,
- 11 minor construction projects and other necessary items.
- 12 3. After June 30, 1976, any unexpended balance of the appropriation
- 13 made by subsection 1 shall not be encumbered or committed for expendi-
- 14 ture and shall revert to the general fund in the state treasury.
- 15 SEC. 2. This act shall become effective upon passage and approval.