

ASSEMBLY AGRICULTURE COMMITTEE MINUTES
MARCH 16, 1977

MEMBERS PRESENT: Chairman Hickey
Mr. Price
Mr. Jeffrey
Mr. Serpa
Mr. Jacobsen

MEMBERS ABSENT: Mr. Polish
Mr. Rhoads

GUESTS PRESENT: Art VanVoorhees, Yerington
John H. Pursel, Yerington
Ed Snyder, Yerington
Bill Frade, Yerington
Gene Menesini, Yerington
John Picetti, Fernley
Tom Grady, Yerington
Marvin Berrington, Wellington
Art Abrott, Wellington
Stan Hunewill, Wellington
Vaughn Silva, Yerington
Wilson Sciarani, Yerington
Harold Hall, Yerington
Bob Hussey, Yerington
Gregg Tanner, Yerington
Frank Dodge, Yerington
Bob Mathews, Yerington
Ralph E. Nuti, Smith
Fred Fulstone, Jr., Smith
David Fulstone, Yerington
Joe Frade, Yerington
H. E. Rowntree, Yerington
Elsie Rowntree, Yerington
A. J. Frade, Yerington
Lee R. Bryan, Yerington
Paul Santos, Yerington
Jim Smith, Wellington

Chairman Hickey called the meeting to order by welcoming those present and stating that the committee would listen to anything that those present would like to say.

Joe Frade, dairyman, stated that he felt there were three things that the farmer was interested in. The first of these is the unemployment tax that would have to be paid on farm labor. He stated that this was initiated by California but he does not think Nevada is due for it yet as we do not have that much farm labor. The second concern was the Dairy Commission. The third concern was the "208" water planning legislation. He stated that he did not feel that we were for this also.

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Herb Rowntree, Manager of the Walker River Irrigation District, stated the farmers were indeed interested in the environmental protection efforts, the "208". He added that they have felt "restricted and oppressed by movements that have been going on for 5 or 6 years. Initially by the Fish and Game Commission in their restriction of our river channel maintenance. Then with 208, environmental protection laws". He went on to state that they feel somewhat concerned about the dredge and fill requirements the Corps of Engineers has imposed upon July 1. All though these appear to be federal laws, Mr. Rowntree stated, that is not the case. Fish and Game Commission and their control of the streams is a state law and Environmental Protection Service is a state organization. He stated that they understand that the Environmental Protection Commission is going to consider at their Las Vegas hearing on April, licensing of return agriculture irrigations flow and the controls of them. He ended by saying that all this is imposing a hardship on the farmers of this area.

Tony Frade, Dairy Commission member, stated that he was in favor of the 3 way control being left on. This would place pricing requirements on the producer, distributor and retailer.

Art VanVoorhees, banker, inquired what contingencies the legislature may be providing for the drought stricken farmers. He asked if they would be seeking government assistance from the federal government.

Mr. Hickey replied that they presently have a cloud seeding program and that was the only program that has been initiated so far.

Mr. Van Voorhees asked if the area has been deemed critical enough to be declared a disaster area. Mr. Jacobsen stated that this takes action of the Governor which probably will be later this summer, but nothing has been declared as yet. Mr. VanVoorhees then went on to ask what kind of provisions were provided when this happens. Mr. Jacobsen stated that a great many things can happen after the Governor acts upon it. He went on to state that the conference to be held this weekend on the drought was to brief local people by federal people on what the possibilities might be.

John Pursel, Lyon County Agent, stated that he did have one personal issue that he would like to bring up and that was that he was very interested in the passage of AB 335 which deals with County Agents and the Nevada Retirement Board. He added that there was very good representation from the farmers and ranchers of the area and that he would let them present their concerns.

Mr. Jacobsen inquired how Mr. Pursel felt about the Nevada Junior Livestock Show Board. Mr. Pursel stated that he personally felt that this Board should be continued.

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Bill Frade stated that he was concerned about AB 365 which would give the power company a lien on property if power bill is not paid. He stated that he did not know why they needed to have a bill as they can do that already through the courts. He added that he also was concerned with AB 361, the alien bill as it deals with agriculture and he would like to see agriculture be exempted.

Mr. Price stated that there was another form of this bill still in the bill drafter and that he would venture to say that if any bill would have a chance for passage it would have this exemption. The bill still being drafted does have it.

Mr. Frade stated that he hated to see the employer having to police this as it was pretty hard to determine who was or wasn't an alien. Mr. Price went on to say that if a person has a Social Security card the employer would be exempt from responsibility. He went on to say that this really was a problem in the south and cited the situation in linen companies where employers have been repeatedly found to be hiring aliens and some had actually been given assistance to come here. He finished by stating that he felt that the bill is unlikely to be passed during this session.

Mr. Frade then went on to say that he was against making it legal to have a small amount of marijuana. He also stated that he was concerned with AB 79 which removes "areas of critical environmental concern" from state land use planning. He stated that in Lyon County they have been having problems and that he would favor abolishment of the whole department but that he would go with AB 70. He ended by stating that he was in favor of the Dairy Commission.

Gene Menesini stated that most everything had been discussed but that he was in favor of Dairy Commission and against making laws where the employer "has to be a policeman". He added that he felt the power company should go through the same channels as everyone else to get their money.

John Picetti, Fernley, stated that he would favor keeping the Dairy Commission in some form or other and that he would like to see "208" studied further.

David Fulstone stated that he hated to see Nevada constantly being compared with California in that we have only a short growing season and only get one chance to plant our crops whereas California has two or three chances to plant and still come out well. He added that he did not like the unemployment tax proposals.

Mr. Hickey stated that there was also an inventory tax being considered this session. Tony Frade inquired that if you take this inventory tax out how would this money be replaced. Would property taxes go up.

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Mr. Jacobsen stated that the Taxation Committee had voted unanimously to remove the inventory tax. He stated that they haven't decided whether it will be immediate or on a phase out basis. He stated that they feel that it has been an unfair tax over the years because it is not enforceable. He stated that in some businesses, inventory has been there for many years and we continue to tax them and pretty soon there is just no profit left at all. He added that they feel that the sales tax is on the increase each year with more people being in Nevada and this will eventually take care of itself. It will be a balancing situation. The committee stated that they felt they had invited the freeport people to come in and they are all outsiders and yet we tax our own people that have been here for years. He added that he felt it would be a benefit to the consumer because when they take that tax off that it would keep prices down a little. It was very hard on the little business and that he felt it had merit.

Mr. Snyder stated that they have large equipment and they pay taxes on every piece of machinery they have.

Mr. Jeffrey stated that this bill passed the Assembly several weeks ago and he supported it basically for one reason. He stated that he felt the large supermarkets were getting the benefit from it over the small ones in that the large chains doing business in Nevada would warehouse in the Reno Sparks area and pay no taxes on the commodities. They would break these commodities into packages and ship them to their various stores as they were needed. The big stores would not carry an inventory of any size and just go on a weekly basis. The small business who takes advantage of volume buying to give himself a better profit break would be stuck with large inventory that he would have to pay taxes on.

Mr. Snyder inquired just how the farmers were included in this in that they have large inventories of livestock etc. Mr. Jacobsen stated that these were not included as this is on your tax statement.

Mr. Frade pointed out that with livestock they buy and sell them and sometimes do not keep them any longer then stores keep their inventory.

Ralph Nuti, Smith Valley, stated that he was concerned with farm labor and alien bills as it was a real problem in his area.

Frank Dodge, Mayor of Yerington, stated that he also was the Deputy Water Master of this area, the Walker River Basin, and that he was very interested in "208" program because he feels that this will have a large effect on water rights. He added that he felt the forefathers did a real good job here and he would "sure hate to get anything started that involved these water rights that are still open".

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Stan Hunewill, Wellington, stated that he was mainly interested in farm labor and water rights.

Art Abrott stated that he was mainly interested in conservation districts and in keeping environmental and conservation concerns at the local control level so that there is more chance for input into them.

Marvin Berrington stated that he was very much against the rising cost of electricity for pumps and fuel costs and they would really like to have some type of help in controlling these rising costs to the farmers and the many other enterprises that need it in their businesses. He stated that he also was concerned about about State Environmental Protection Agency control of drainages along the river of the ranchers. He added that he also was concerned with the way they determine water qualities of existing streams.

Mr. Hickey inquired whether they were talking about the state or federal government. Mr. Berrington stated that he was talking about the state along with the feds.

Harold Hall, beekeeper and member of Board of Department of Agriculture, stated that he was very concerned with the rearrangement of state boards and commissions. He stated that he felt that if the Executive Director made by appointment of the Governor this would make it very difficult to find well qualified because of the political attachment it would have. He added that if the State "fools with these boards, they are going to have to come up with a lot more money in their budgets for these various departments". A lot of boards are supported by various organizations and if you "fool with their boards they are going to quit putting all that money into them". He stated that he felt that although they claim to have done a deep study on this he does not feel that they really did much at all. He stated that you can not take every board in the state and make a blanket deal with it. He finished by stating that any board that has anything to do with finances was left strictly alone.

Nelson Sciarani stated that he urge the legislature not to change any laws but to leave them they way they are as they are getting along fine.

Mr. Jeffrey stated that Mr. Jacobsen and he are on the committee that is dealing with the various commissions and boards and that they are still working on it. He stated that one of the problems they are having with the bill is that it does not come from any legislative study and they are trying to be as careful as they can with it. They have made some extensive amendments and are interested in any input they can have on the bill.

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Mr. Hickey then called upon Mr. Serpa to give a brief background on AB 183 which would effect many farmers and ranchers.

Mr. Serpa stated that this bill would be very beneficial to the rural area by getting a federal grader of meats. He stated that it was brought to his attention early last summer that the slaughter houses in the state lacked a federal grader. Because of the way the houses are scattered out it was just about impossible to get a federal grader at a reasonable price. He cited the situation of one slaughter house that was going to the expense of flying a grader in from California for his plant at the cost of \$17.00/hour. They came up with the idea for this bill through the Department of Agriculture whereby they can get together and share this grader. They got commitments from 2 plants to use this grader half the time. This person will be based in Fernley and will be charged out at the rate of \$17.00/hour to the plant and will be able to get to this area quite easily. The time that is not spent in the field will be spent at the University and with the Department of Agriculture. This will be a good deal as the cost will be spread around to everybody. He stated that after this gets rolling we will perhaps be seeing graded meat even in the smaller markets and restaurants. Another area where it will be helpful is in the 4-H program and FFA program. They have been getting lower price because the cattle couldn't be graded. Another important area will be the small rancher that only slaughters 40-50 head of steer a year. At the present time he is taking a real beating. These cattle are probably every bit as good as the cattle being graded other places.

Mr. Serpa stated that he really was pretty proud of this bill. He went on to say that there is a need for some new laws. He added that he feels that after the legislature people will find out that they will have passed some good laws and that there are presently studies going on to take a lot of the old laws off the books.

At this point Mr. Hickey stated that they would break up into groups to discuss the various problems that had been presented.

Respectfully submitted,

Sandra Gagnier

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Assembly Attache