

ASSEMBLY  
GOVERNMENT AFFAIRS  
April 18, 1977  
7:00am

MEMBERS PRESENT: Chairman Murphy  
Mr. May  
Mr. Craddock  
Mr. Jeffrey  
Mr. Mann  
Mr. Moody  
Mr. Robinson  
Mrs. Westall  
Mr. Jacobsen

GUESTS PRESENT: See attached list

Chairman Murphy called the meeting to order at 7:00am.

ASSEMBLY BILL 706

Robert Gagnier, Executive Director of the State of Nevada Employees' Association, explained that during the 1975 session of the Legislature a bill was passed which provided for a deferred compensation program for all public employees in Nevada, including state employees. However it was ruled to be unlawful under federal law and the IRS would not approve it. It was too simple. Consequently, it was negated and it was repealed by this session of the Legislature. This bill, A.B. 706, was drafted by a law firm that specializes in deferred compensation so we are assured that the bill will comply with IRS rules. He explained what deferred compensation is by saying that it provides a system whereby an employee may defer part of his income which will be kept by the employer and invested on the employee's behalf. He doesn't then pay tax on that money until such time as he draws it out, hopefully after he has retired, has a lesser income and will have a lesser tax liability. "We needed to find some agencies, somebody, to regulate the deferred compensation because that was the problem with the previous legislation. Last time the money was vested in the retirement system and that caused the problem because in the eyes of the IRS the retirement system is not an employer. In the present legislation we placed it in an existing committee that already regulates the state's insurance program, it is the five member committee on group insurance. "

The bill contains a lot of language in it just to make sure that it will be approved by the IRS. There is no fiscal impact on the state; in fact on the third page of the bill it says that there can be no financial liability on the state and there can be no expenditure by the state on behalf of the program. The bill provides that that committee on group insurance may run the program themselves or they may contract with a private firm or person to handle the program and go through the sales part of it and the investment. The accounting part of the program is handled in the state payroll computer system that will be in operation after July 1. The program for deferred compensation is built into the computer,

There was no opposition to the measure.

SENATE BILL 402

Mr. Carl Havlin, representing the Cold Springs Development Corporation in Reno Nevada asked the committee to consider amending the bill to include "quasi municipal". He stated that the bill already provided for agricultural irrigation and the case for quasi municipal is very similar. He explained the situation of the Development Co. he was representing to the committee.

Leonard Corsentino, a farmer and rancher in Diamond Valley, a member of the Eureka Conservation District, read a resolution from the Nevada Association of Conservation Districts which stated:

"Whereas section 543.090, forfeiture and abandonment of rights of underground water and wells, Nevada Revised Statutes has been unfairly and radically enforced in Diamond Valley, and whereas the law is in fact detrimental to the proper conservation of water because it forces people to unwisely use their water to protect their water rights, and whereas the law is detrimental to good soil conservation practices because much stable soil is distributed and farmed improperly by people trying to preserve water rights rather than approach farming in a rational manner, and whereas the aforementioned practices by certain people in Diamond Valley have resulted in a serious wheat problem for the valley, therefore be it resolved that the Nevada Association of Conservation Districts work in conjunction with the State Engineer and other interested parties to find a solution to this problem."

He discussed the problems in Diamond Valley and admitted that there is no simple answer to the problem.

Mrs. Erleen Stenton told the committee about her water rights problems and how unfairly the law was being enforced and the legal action she had to start to try and remedy the problems.

Senator Glaser, sponsor of the bill, explained to the committee that the bill is an attempt to fuse the explosive situation that has occurred in Diamond Valley over water rights.

Assemblyman Bode Howard explained his reasoning for supporting the bill by saying that Mrs. Stenton would not have her problem if the bill he had introduced during the last session of the Legislature had passed on the same subject matter. It would have solved the problem before the problem could start.

Mr. Roland Westergard, State Water Engineer, arrived and a discussion between all parties concerned followed.

Mr. Stewart Keil explained to the committee the history of the water laws in the state. He submitted an amendment which is attached as Exhibit 1.

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Mr. Walt Plaskett testified in favor of the bill because there needs to be a solution to the problem and he felt that this bill is a good solution.

Vice Chairman May, as per request from the Chairman, appointed a subcommittee of Mr. Craddock and Mr. Jacobsen to review the matter further.

COMMITTEE ACTION

ASSEMBLY BILL 613 - Mr. Mann made a motion to AMEND AND DO PASS, seconded by Mr. Moody, he presented extensive amendments. After extensive heated discussion on Mr. Mann's motion, Mr. May moved to amend the motion to become AMEND AND REREFER TO COMMITTEE, this motion was seconded by Mr. Craddock, the motion failed as only Mr. Craddock, Mr. May and Mr. Jeffrey voted in favor of the amended motion. The committee then returned to the original motion of AMEND AND DO PASS. The motion passed 5-4 with Mr. Mann, Mr. Moody Mr. Robinson, Mrs. Westall and Mr. Jacobsen voting for the motion, the rest of the committee voted no.

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ASSEMBLY BILL 698

Assemblyman Nancy Gomes explained the philosophy behind requiring certain county fair and recreation boards to use revenue for specific recreational purposes. She said that she was not firm on the 10% figure and that 5% would be better than nothing. She added that Clark County earmarks similar monies for this purpose.

Assemblyman Jeffrey asked what percentage of Clark County money was used in this manner. Mr. Russell McDonald recalled that 10% was set aside in Clark County.

There was no opposition to the bill.

ASSEMBLY BILL 705

Mr. Kelly Jackson, Public Service Commission, explained what interest the PSC had in used lubricating oil by saying: The 1975 session of the Legislature established an energy management division with the PSC. One of the things that that division has been doing is looking at potential ways of conserving energy withing the State of Nevada. A matter of both national concern from the environmental and energy point of view has been the manner in which lubricating oils once they've been used are disposed of. It's estimated that nationally some 2.2 billion gallons of waste lubricating oils are used per year and that 1.2 billion gallons of that oil is discarded in nonrecoverable ways, either in the sewer system, dumping in vacant lots, burned or

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used for road oil. It is also estimated that there is some 2½ million gallons of used lubricating oil generated in the state of Nevada each year. Basically A.B. 705 would approach the recovery of lubricating oils from two directions. One, it would require that certain types of establishments maintain used oil recovery facilities where people who have purchased lubricating oils can return the oil. Also it would require that those establishments attempt to get rid of the oil to someone who is in the business of refining it. It appears to me that this particular bill has merit both from the environmental point of view and an energy point of view. Consequently the energy management division of the PSC is supporting this bill.

Assemblyman May referred to page one line 15 and wondered whether this might drive retail stores such as Raleys or Skaggs out of the business of selling motor oil at a low price.

Mr. Jackson replied that those kinds of stores could make arrangements to advise their customers that there is some off premises facility where the customer could return the oil. Many service stations would agree to allow other types of establishments' customers to utilize their oil storage facility.

Assemblyman Murphy commented that the language should be permissive and not mandatory.

Assemblyman Westall asked how recycled oil is handled in Nevada now. Mr. Jackson replied that nationally somewhat less than 10% is being recycled. He referred to Lobo Oil of Reno, Nevada which is a used oil dealer which takes care of the small business that is presently occurring for recycling oil in this area.

#### COMMITTEE ACTION

ASSEMBLY BILL 705- After discussion, Mr. Mann moved to DO PASS, seconded by Mr. Moody, passed unanimously. Mr. Jacobsen, Mr. Craddock and Mr. Robinson were not present for the vote.

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#### ASSEMBLY BILL 701

Mr. James Shields of the Nevada State Education Association spoke in favor of the bill which would add a member to the local government advisory committee of the Department of Taxation. The new member would be a representative of the Nevada State Education Association. He said that public employee representation needed to be on the committee.

Assemblyman Mann commented that he would want a teacher to be the member not just a member of the staff of the NSEA.

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Mr. Henry Etchemendy, Chairman of the Local Government Advisory Committee, spoke in opposition to the bill. He said that the purpose of the committee was not to get involved in negotiations, it is to give advice to the Department of Taxation. They do not give specific recommendations to the Department, only general suggestions and input. He added that there are too many other groups that would want membership on the committee if it is opened up to include public employees.

Mr. Jim Lien, Department of Taxation, told the committee that there would have to be a complete change in philosophy if the membership of the advisory committee were to include public employees. The committee is set up to advise local government officials. The input should be from technicians. The Department of Taxation does not want public employees to be on the advisory committee just so they can argue. The Department needs good input. If they need some input from a public employee they can get it, he doesn't need to be a member of the committee. The bill should not pass.

ASSEMBLY BILL 702

Mr. Russell McDonald told the committee that this bill has been approved by the Washoe County Commissioners and the Sparks City Council. The property involved is presently used by the Sparks Justices' Court and the County Probation office. The bill is structured so that if in 10 years the building becomes surplus it could be given away or sold for consideration by the Commissioners to the City of Sparks for historic purposes only. If nothing happens by 10 years, then the bill dies by limitation.

There was no opposition to the bill.

There being no further business to come before the committee, the meeting was adjourned at 10:46.

Respectfully submitted,

*Kim Morgan*

Kim Morgan, Committee Secretary

GOVERNMENT AFFAIRS COMMITTEE

GUEST REGISTER

DATE: 4/18

NAME, ADDRESS & PHONE NO.	REPRESENTING	TESTIFYING ON BILL NO.
Henry Etchemendy	Local Gov. Advisory Committee	AB 701
BOB GAGNIER	SNEA	AD 706
CARL HAVILAND	Cold Springs Dev.	SB 402
Tom Moore		
Muri Kephart	Eureka Cons. Dist	SB 402
Rex Collingwood	Eureka Cons. Dist	SB 402
WALT PLASKETT	Self	SB 402
Kelly Jackson	P.S.C	AB 703

EXHIBIT 1 IS MISSING FROM BOTH THE ORIGINAL  
MINUTES AND THE MICROFICHE.