

Original

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 59TH SESSION

April 28, 1977

The meeting was called to order by Chairman Mello at 7:40 a.m.

PRESENT: Chairman Mello, Mr. Bremner, Mr. Dryer, Mr. Glover, Mr. Hickey, Mr. Kosinski, Mr. Rhoads, Mr. Serpa, and Mr. Vergiels. Mrs. Brookman was excused due to illness.

ALSO PRESENT: George Miller, Welfare Administrator; John Duarte; Judge Howard Babcock, Chief Judge of the 8th Judicial District Court, Clark County; Wayne Blacklock; County Commissioners Thalia Dondero, Bob Broadbent, and Tom Moore; Russ McDonald; Assemblyman Bob Price; Justice Manoukian and Justice Batjer; Assemblymen Marion Bennett and Lonnie Chaney; Mrs. Ruth Rink, speaking for Terry Sullivan; Verlea Davis, Clark County Social Services; Chuck Chinnock, Tax Commission; Ray Crosby representing Disabled American Veterans of Nevada; James Lien, Department of Taxation; John Dolan, Assembly Fiscal Analyst; and Bill Bible, Budget Division.

A.B. 603

George Miller said the language in A.B. 603 is the same as they had several years when they went through a long court battle that cost the State a lot of money. He said the thing that is wrong with the language is the part about "actual need". They used to have "special needs" in this category, and working with the Blind Federation, it was agreed that some people took advantage of this benefit while others were losing what was due them. The Blind Federation agrees that "actual need" cannot be determined and that the bill is not good. Mr. Bremner asked if federal funding would be lost if they went along with the "actual need." John Duarte said they would have to take over 100% administration of the blind portion of the bill because the federal government would not administer a variable program. On the basis of "actual need" each recipient would have a different rate, so they would lose federal funds this way.

A.B. 646

Judge Babcock said he would address himself to that portion of the bill that relates only to Clark County. He said he wished to advise the Committee that they were there as advocates, not for the Judiciary but for the citizens of Clark County, to demonstrate the need for the passage of this bill to increase the Judiciary of Clark County an additional two judges.

Judge Babcock distributed copies of last Monday's calendar for the 8th Judicial District Court, a copy of which is attached to these minutes. It lists the cases scheduled for that day by each of the eleven district judges. He said each month this calendar gets thicker.

Judge Babcock said he was somewhat informed that perhaps the Clark County Commission is aware of the need for the additional judgeships, but there is the problem of fiscal impact. When they went before the Assembly Judiciary Committee, the Commission attended to that Committee an extraordinary projection as to fiscal impact. This was confirmed by a press statement from the Clark County Administrator; looking at the Tuesday, April 26th Las Vegas Review Journal where it is suggested by him that to implement this bill, the fiscal impact would be \$1,500,000. Judge Babcock said he had been led to believe this has been trimmed down by that body to perhaps \$750,000, but Mr. Blacklock can demonstrate that the fiscal impact will approximate 1/2 of the projection of the Clark County Commissioners. He said he did not believe that the presentation attended to the legislative body is a

creditable report. He said they have five criminal, five civil judges and one juvenile judge in Clark County. The backlog is on the civil side. He said unless they have at least one judge, the backlog on the civil side will continue to increase. He said if this bill does not pass, this legislative body will not be able to enlarge the Judiciary of Clark County until the year 1985. This is pursuant to Article 6, Section 5 of the Nevada Constitution.

Wayne Blacklock said the 8th Judicial District Court had during 1976 a per-judge caseload that is 40% higher than the national average. Total cases filed in 1976 were 21,797. That is the highest ever for Clark County, he said. The national average of cases filed per judge is about 1,000 to 1,200. Filings for Clark County were 1,981 per judge.

The Civil Department had an average of 2,648 cases filed during 1976. That is about 1,250 cases above the national average of about 1,300 civil cases, so this is almost double. Case processing delay is a serious problem in the civil courts. Jury trial dates in most courts are now being set 8 to 14 months in advance; that is from the time the note for trial docket is filed or the case is ready to go. This is too long, he said; it should be 30 to 90 days.

Mr. Blacklock went on to say that in looking at population, Washoe County has a population ratio of 22,000 per judge, while Clark County has 34,00 per judge. Referring to the fiscal note, he said his projection is based on the need of actual budgeted figures for 1977-78 fiscal year. The average per judge cost to operate a court during a given year is about \$60,000. He has come up with a figure of \$161,000 to include what the County Commission so graciously added, was one administrative assistant, as well as set up costs for beginning a new office. So it comes to \$161,000.

The District Attorney indicated that with two new civil judges or three new civil judges, he would need one additional District Attorney and one secretary, so he has budgeted \$42,000 for that, which includes one-time setup costs for offices. District Court Clerk; he took the County's recommendation and added some money because he thought it was low, and came up with about \$48,000 for an additional first year cost, about \$251,280.

Mr. Blacklock said space allocation is difficult to project. They currently have or will have as soon as the JP's move out, an additional courtroom that has been provided recently through dividing a larger room. The first judge would be assigned to that courtroom, so additional space would not have to be rented, it would merely be reallocated and redesigned space. He has looked at about \$75,000 for renovation of existing space. He based that on the fact that the Justice Court had four new courtrooms built for under \$400,000, maybe even \$300,000, so felt that \$75,000 was not too low. He projected \$6 per square foot additional space for an extra courtroom and came up with about \$100,000. So, \$350,000 seems to be reasonable to expect for that first year of two additional judges.

Mr. Mello asked if there was enough space for the two new judges, and Mr. Blacklock said there was enough courtroom space for one judge. He said there will be space as soon as the JP's move out. Judge Babcock said that has already been construction. The JP is adjacent to District 11, so in about a month when the JP moves out, a district court facility can go into that department.

Mr. Blacklock said this would depend on what and how soon anything happens with the new building. If the bond issue fails, there is room on the other side in the old building, where they currently have two courtrooms being used by the JP's. He said that if the JP's get one new JP, they will be even on space. If the bond issue passes, and they tear that section down, then they will have to go outside and rent space, but that has been done before.

Judge Babcock said he didn't know if the Committee knew that there is a program for the enlargement of the courthouse; a bond issue projected to be \$16 to \$20 million. He said this is being pursued by the Clark County Commission, and hopefully, they will be able to sell the voters on the need.

Mr. Mello said what he was trying to figure out was, if this bill is passed and they get two new judges, what are they going to do with the other one?

Mr. Blacklock said one will go into the already provided space, and the other one could either go into the existing department one or two which is justice court now being used, but they are going to move out in June. Mr. Babcock said they are moving out to the First National Bank Building. Mr. Blacklock said if that doesn't happen, at the bottom of the fiscal note he prepared, he allowed \$6 per sq. ft. or about \$24,000 a year for additional rental space in another building.

Mr. Mello said he wanted to hear testimony from the county commissioners.

Commissioner Dondero said they recognize the need for new judges, but feel the money isn't available for this. She said the police bill costing at least \$800,000 has been signed, and there are others such as the firemen who are requesting additional funds. She said perhaps they could give them the judge, but nothing else.

Commissioner Broadbent said referring to the fiscal note on A.B. 646, there are a lot of figures that can be bantied around on what it is really going to cost. He said it is true that if the JP moves out of one courtroom, they will have a courtroom, but the Legislature has approved already a new JP they don't have space for, and the JP's have already indicated that they want that courtroom. It is true that there are additional spaces in the old courtroom facility, but they are presently being used by outlying district JP's for small claims and traffic. So, all of the courtrooms are going to be used. If they have to create additional space, it is ture that they would have to build or rent new space, and rental space for bottom floor of the First National Bank Building with renovation and everything is costing over \$400,000 just for four JP courtroom, not including office space.

Mr. Broadbent said they were told some six or seven months ago by a district judge that there would not be a request for additional district judges this year. They were told that part of the problem could be solved by implementing the team tracking system and other things. They were also told that the best way to handle an increasing caseload was to use masters, similar to what they have in juvenile court, which would amount to less expense than additional judges.

He said they recognize that according to the law now if you don't amend the law to provide for staggered terms for district court judges, that it will be 1975 before you get a new district court judge, unless there is a resignation. But, if there is ever a vacancy of any of the eleven district court judges, which might happen at any time, and you pass this type of bill, then at that time, the one would be replaced plus the ones that were authorized. So, if you were to pass a bill for two district court judges, and one were to resign or pass away, next week, we could end up with three additional court judges, which is a real concern. He continued that they recognize the problems, but they wonder why two years ago they said it was the criminal area that was the problem. Now, it's the civil area, and if we add another JP, then we're probably going to have to add another track for that JP, which puts us into the criminal area again.

Mr. Broadbent went on to say that they are just not sure they have the ability under the existing financial structure to fund two district court judges. They recognize the need, but also have a need in the police department where they have requests for up to 200 new

police officers.

Mr. Mello asked Mr. Broadbent if he would recommend one judge if the bill were passed in its present form, and he said if they are going to pass it, they'd be happier with one than two. Mr. Hickey asked who had said there would be no need of an increase in judges, and Commissioner Boardbent said the chief judge at a criminal justice meeting; Keith Hayes. He had said that with the modernization of the system, the team tracking system in the district courts, this should help solve some of the problem. Mr. Hickey asked about the cost per judge, and he said it would be a different figure for a criminal judge than for a civil judge. He added that they would pretty much agree with the fiscal note.

Commissioner Dondero added that they formulate the criminal justice committee where they all sat down and tried to work out the problems. She said they had convinced her of the need, but there were just so many dollars available. Judge Babcock said he wanted to assure the Committee that Judge Hayes was not speaking for the Judiciary, and that he was not mandated to suggest to anyone that they would not be asking for judges, because they did not know they would be. And the only time they come to the Assembly or Senate is when they can demonstrate a need. He said additionally, with reference to the JP's the district court judges do not want to engage in any tug of war about their comparative needs. He said they are getting implementation to the criminal justice system; they are impaneling a second accusatory grand jury so they can take an additional load of the justice court system. He said with reference to using masters, they have masters in the juvenile system, and the district courts have a probate commissioner. They have recently innovated in the uniform reciprocal support act a master to handle the multitude of civil litigation that comes into their court system. So they have utilized as best they can the master system.

Judge Babcock continued that he could not conceive of a vacancy of the eleven judges in Clark County except by death. Age-wise, there will be no resignation, and if they do not get judges on this term, he said he could envision that as they approach the 1980's they will be closing down on the civil litigation to the extent that there will be a moratorium on civil litigation to the injury of the business people, the citizens of Clark County who are entitled to have their civil cases resolved and adjudicated.

Justice Batjer said he had nothing specific to add to the hearing, but that he had listened with a great deal of interest. Justice Manoukian said he wholeheartedly concurred with the needs of the Judiciary in Clark County, and added that he was present to speak on the salary measure if called upon to do so.

Mr. Kosinski asked Justice Batjer if he anticipated any increased efficiencies in the various county court systems with the central administration that Justice Batjer is implementing in his office, and he said it is possible some of the judges in the outlying counties may have a lesser role and may be able to equalize the load. He said there is no facility and no courtroom for these judges, and it would seem to him to be a futile effort to send them in where there is no suitable place for them to hold court. Mr. Kosinski asked if it were possible for some judges to be sent to Clark County if there were some judges on vacation and so forth, and Justice Batjer said that has been done and can be done as long as it doesn't hurt the local case load. He said judges have been very good about this on a voluntary basis, and this is one thing that needs further study.

Russ McDonald testified to the Committee that more people could not be placed in the Washoe County courthouse, because space is limited and the county cannot afford the expense. He, too, stressed the problem of a sudden vacancy. He said not only would the extra judge

result in an additional salary, the county must also pick up all the training expenses, the cost of the offices, and furnishings, a clerk, a secretary, and certain court attendants. He said it would cost roughly \$150,000 to put them in business, and then they would have to accommodate the second Justice of the Peace, which would mean moving out the Juvenile Master, which cannot all be done within Washoe County's budget. He said he thought Washoe County's contingency fund was less than \$300,000

Mr. McDonald said he could not provide the Committee with any information with respect to caseload in the courts, but he thought there is need for a trial judge, either criminal or civil, because the calendars are full and the growth factor percentage-wise is equal to that of Clark County. He said as an attorney, he recognized the need, but as a former county manager, he was reluctant to endorse the bill on the basis that he didn't know where they were going to get the money.

Mr. Kosinski commented that Judge Babcock had raised the issue that if this bill did not pass, the number of judges in Clark County could not be increased until 1985. But, he said, as a matter of fact, the next Session of the Legislature could write up a bill creating a new department in the event of a vacancy, the same thing that was done for Carson City.

A.B. 718

Assemblyman Lonnie Chaney said this bill will authorize the County Commissions to give emergency funds to people who don't qualify for welfare. He pointed out that Las Vegas attracts a lot of people to jobs and so forth that simply don't exist. This will allow the county welfare department to give them some money to get back out of the city and therefore keep them off the welfare rolls. He said there are also cases where people encounter emergency situations or disasters that cause them to need temporary help, but they don't need to go on welfare. He said they asked that the county be able to hold back 3¢ of the ad valorem tax, and that was high. So they went back to the analyst, and it was recommended that the county be able to hold back 1¢ of the ad valorem tax, which would give the total state about \$388,000, and would actually give Clark County \$195,000, and Washoe about \$92,000, leaving \$101,000 for the other counties. The money not needed would go back to the general fund after the program was tried.

Mr. Mello asked Mr. Chaney if he realized that no matter how you look at this, if you take away from the ad valorem, if you are to maintain the present program, you are either going to have to come up with some general fund money, or you are going to have to cut the existing program to make up for this dollar amount. Mr. Chaney said he realized this but didn't know what to recommend. But the next two years, it would be able to justify itself, he said, by saving the money from either the Welfare Department or the general fund. Marion Bennett added that this would no doubt save the state some money, because these people have to be dealt with somehow. It is a case of spending money to save money.

Verlea Davis from Clark County Social Services said the county indigent fund cannot support the number of transients that come into Las Vegas. These people not only lose their money to gambling, but also to things like quiz shows; and they are also victim of emergencies such as auto accidents and fires. Mr. Hickey asked if this is in the statutes of any other state, and no one knew the answer. Mr. Glover asked what kind of legal services they anticipate under the bill, and Mr. Chaney said the county recommended that they take out legal services because they felt legal services were already being provided.

Commenting on this bill, Russ McDonald said he was not critical of the purpose of the bill, but that it had pitfalls for the counties, particularly when you have a tax fight going on. He said Doris

Carpenter, Director of Washoe County Welfare, had suggested the deletion of the legal services because the court clerk fee bill proposes to increase the legal aid dollar to \$3.00 to support those types of legal services. He said it caused him concern, that on page 2, the problem is that what the county is saying right now, look we've got to mandate the \$.11 which we just funnel through to George Miller. The cities understand that; they back off. That's just like \$1.50 mandatory school tax rate we don't talk about. But suppose it were reduced to 8¢. As soon as the cities found out that it had been reduced by 1¢, 2¢, or 3¢, they will begin to contest for the mills again. And all of a sudden you find out that you have another welfare program. He continued that he was not critical of it, but they have no place to respond to it without fighting the cities. So he suggested if it is reduced to 1¢, to say that the proceeds will be earmarked for the program instituted here.

A.B. 451

Mr. Mello said this bill creates a fiscal impact mainly on the counties. He asked Chuck Chinnock of the Tax Commission to tell the Committee what the impact would be to the counties and the state. Mr. Chinnock said he showed the impact to the counties to be \$90,407. Mr. Mello asked if that were the total just to the local government, and wouldn't it be \$8,000 to the state? He asked, would you subtract that \$90,300 for 1978-79 from the \$98,100 to get \$8,000 state revenues? Bill Bible said he had about the same number based upon \$100,000 of lost revenues. The school district would lose about \$30,000, and the state would lose about \$5,000 through the 25% ad valorem, and the additional \$2,500 from the 11¢ ad valorem Title XIX, which would approximate the \$8,000. Mr. Mello asked Mr. Bible to submit a copy of these figures soon.

A.B. 743

Ray Crosby spoke to the Committee representing Disabled American Veterans of the State of Nevada. He said they had this bill prepared on the basis of any bonafide resident of the state of Nevada, and on line 8, paragraph 1 of Section 3, it requires that a veteran be an actual bonafide resident of Nevada prior to entering service.

He said they had talked at length with Jim Lien of the Department of Taxation regarding the fiscal impact, and had come up with \$248,000. He said Jim Lien had brought that figure down a little further than that and he wasn't sure of the exact figure, but there is a cost of about \$900 a year, these figures gained by Mr. Lien from the University of Nevada. He said that based on the way the bill is written, there is no fiscal impact to speak of, because this will apply to maybe 15 or maybe 100 people. They figured the \$248,000 on the basis of about 265 students per year each year on an on-going basis. However, there probably wouldn't be 265 eligibles because of the residence requirement in the bill.

Jim Lien said that the bill does require that individuals would have to have been bonafide residents of the state for one year before entering the service, and this was going to place a severe limitation on the number of individuals who would be qualified. He said that 95,000 veterans in the state, about 25% of them were actually of Nevada, and a large percentage of those were not property owners, but would be qualified in this program. They are talking about the students of those individuals, 50% disabled on up. When they first looked at the bill, they missed the "bonafide" and found out that they only have about 1,500 disabled individuals that could possibly have had children. They anticipated that they could not have had more than 200 students. They have now reduced that looking at the bonafide and are assuming at this point in time they probably cannot have more than about 25 students eligible for the program. This is again based on trying to compute out from the numbers of people they are aware of.

Mr. Lien said they did compute at \$900 a year based on the information the University gave them for the average instructional fees, the average credit hour tuition, and figuring about 20 students per year, \$900 per student, they are talking about \$18,000 to \$25,000 a year. Some of this, he said, is conjecture.

Mr. Serpa asked if there were money available from the government for dependents, and Mr. Crosby said no, not unless a person is 100% disabled. He said he had no figures, but if a person is 100% permanently disabled, his spouse and children are eligible for education by the government. Mr. Kosinski asked about other programs in other states, and Mr. Crosby said 38 states offered free tuition program such as this.

Mr. Mello asked Mr. Lien for a maximum figure, and he said they feel \$25,000 would be the maximum for 1,500 who are eligible, and knocking the number down to about 150 due to the residency requirement, and 10% of that number who would be eligible students; this should be an adequate figure.

Mr. Bremner quoted lines 3, 4, and 5 of page 3 in Section 7: "Nevada Commissioner for Veterans' Affairs shall adopt reasonable regulations for the extension of benefits in the administration of the program." He asked if this language could create any problem; did this give the Commissioner the power to broaden the scope of the bill, therefore costing more money. Mr. Lien said the bill pretty well limits the scope as to who is eligible and so forth, so this should not be a problem.

S.B. 495

Nadean Reed of the Treasurer's Office said this provides that estates of persons who die without will or heirs will escheat to the state to be held for period of seven years, and if no heirs are found or come forward at that time, the proceeds of the estate are to be deposited in the permanent school fund.

She said that the Treasurer has been holding a collection of old coins and old state bank bills for a little over six years, and they will escheat before the Legislature convenes again, therefore they are asking for this in hopes that these things can be donated to the museum where they can be preserved, at the same time paying the school fund the face value. Mr. Vergiels and Mr. Glover both commented in favor of this.

S.B. 495

A motion was made by Mr. Bremner DO PASS S.B. 495. The motion was seconded by Mr. Vergiels and was approved.

A.B. 743

Mr. Mello commented that if the Committee would have time to sit down with him and go through the bills he had in his desk drawer, the ones that have not yet been heard, they would find that if they passed all the legislation there, this would be a 100% socialized state. The Legislature, he said, was trying to be a cure-all for everyone. He was not trying to say this is bad legislation, but was saying that it all has a dollar mark, and that it is all expensive.

He continued that they had already heard today bills that call for new judges; a bill on salary increases for elected officials; a bill to meet the needs of the blind; one to take care of welfare people stranded in the state in order to move them elsewhere. He said many of these bills are needed, but they have to look at the money being spent. He added that he would like to take the people who are introducing all these pieces of legislation and sit them down before the Committee in order to ask them--if their legislation were passed, what tax would they recommend for increase. Or what new tax would they recommend adding to the burden already assumed by the taxpayers of Nevada.

RC

Mr. Mello appointed a new subcommittee on S.B. 173. He said he would no longer serve as chairman of this subcommittee, and was appointing Mr. Bremner as chairman. Other members of the subcommittee would be Mr. Serpa and Mr. Kosinski.

The meeting was adjourned at 10:30 a.m.