

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING  
JANUARY 31, 1977

The meeting was called to order at 5:30 p.m.

Senator Floyd R. Lamb was in the chair.

PRESENT: Senator Floyd R. Lamb, Chairman  
Senator James I. Gibson, Vice-Chairman  
Senator Eugene V. Echols  
Senator Norman Glaser  
Senator Norman Ty Hilbrecht  
Senator Thomas R.C. Wilson  
Senator C. Clifton Young

OTHERS: Ron Sparks, Chief Deputy Fiscal Analyst  
Howard Barrett, Budget Director  
Vernon Bennett, Executive Officer, Retirement System

The following bill draft requests were approved for introduction:

BDR S - 526: Set ad valorem rate for next two years.

Senator Young: Do Pass  
Senator Hilbrecht: 2nd  
Motion carried.

BDR S - 615: Prison supplemental - \$400,481

Senator Young: Do Pass  
Senator Hilbrecht: 2nd  
Motion carried.

BDR S - 719: Title 19 supplemental - \$1,451,372

Senator Hilbrecht: Do Pass  
Senator Young: 2nd  
Motion carried.

BDR S - 720: "One-Shot" appropriation for equipment and early opening of Desert Developmental Center - \$199,850.

BDR S - 637: Repayment of computer and attached processor.

Senator Young: Do Pass  
Senator Hilbrecht: 2nd  
Motion carried.

Howard Barrett explained the appropriation would do away with the sinking fund of \$200,000 and the appropriations added to the money from the sinking fund will buy the new attached processor.

BDR S - 165: Revise Public Employees' Retirement System

Senator Hilbrecht: Do Pass  
Senator Young: 2nd  
Motion carried.

SENATE FINANCE  
MINUTES OF MEETING

PAGE 2

The following bills were considered by the committee:

S.B. 18: Change in Interim Finance Law

Senator Echols: Do Pass  
Senator Hilbrecht: 2nd  
Motion carried.

S.B. 49: Appropriation to Interim Finance Contingency Fund  
\$2,370,941.

Senator Glaser: Do Pass  
Senator Gibson: 2nd  
Motion carried.

S.J.R. 2: Limit federal spending

Senator Young: Do Pass  
Senator Gibson: 2nd  
Motion carried.

S.J.R. 3: Limit federal spending

Senator Gibson: Do Pass  
Senator Young: 2nd  
Motion carried.

S.B. 14: Increase per diem allowance for state employees  
\$20-\$30

Senator Gibson: Moved to amend the bill to make it effective on passage  
and approval.  
Senator Young: 2nd  
Motion carried.

S.B. 112: Supplemental for completion of automated personnel/payroll  
system.

Senator Young: Do Pass  
Senator Gibson: 2nd  
Motion carried.

Senator Hilbrecht stated this was a persistent problem.  
This bill was passed with outrage, frustration, anguish and much reservation.

S.B. 125: ~~Creates thrift~~ company and credit union administrative funds

The committee discussed this bill at length and then postponed action on it  
pending further information from the Department of Commerce.

B.D.R. S 165 . RETIREMENT SYSTEM

Mr. Bennett discussed the major disagreements with the employee, employer  
and retirement groups. Mr. Bennett said the policeman are opposed to  
removing contributions on overtime. Mr. Bennett said the bill creates a  
legislative committee to regularly review the system.

Senator Lamb asked Mr. Bennett how many members on the committee.  
Mr. Bennett said six.

Mr. Bennett said the retirement system provides post retirement increase  
for a retired person based on the number of years retired. If a person  
is retired for twelve years, he receives a 5% increase each year.

January  
1977

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING

PAGE 3

Mr. Bennett continued to say that if a person is retired for eleven years he receives 4 3/4% increase. Each year the person will have been retired an additional year and will receive an increase of 1/4 of 1%.

Senator Gibson asked Mr. Bennett to explain this portion of the legislation further.

Mr. Bennett explained that this is exactly the same program which was done in 1975-77, except in those two years they listed the specific calendar year in which you retired and then you would get a certain benefit. We have provided that the post retirement equivalent to 5% of base benefit will be provided to anyone drawing benefits a full twelve years.

Mr. Bennett continued to say that if they have been drawing benefits for eleven years, they will receive 4 3/4% and for 10 years 4 1/2%. The principle is the person who has been retired the longest usually has the smallest monthly benefit and they need the increase more. He said both the Retired Teachers Association and American Association of Retired Persons recommended this. Mr. Bennett said the only difference from this then the graduated scale we had in the 1975 session, is its based on the number of years you have been drawing benefits rather than on a calendar year so we don't have to adjust it every two years.

Senator Gibson asked about a report on the troubles of Retirement Systems. This points a strong finger at automatic Post Retirement increases on cost of living. Senator Gibson asked Mr. Bennett if he was asking in this bill to write it in so it is automatic.

Mr. Bennett said we are suggesting that 1/2 of 1% of employer contributions be designated to fund the Post Retirement increases. Mr. Bennett said we figure this amount, under present projection, will cover it for the next ten years. We are providing in the bill that we have to keep very close records and every two years bring the full statistics back to legislature for review.

Senator Gibson said as a legislator, it is harder to do that if you come in and say we want to reduce that, when it is already in the law. If it isn't in the law and you are putting it in, it is easier to keep control of it.

Mr. Bennett said that this has been discussed with the board. The board would have no strong objections to making it two years and then reconsidering every two years. Mr. Bennett said we would still like the 1/2% dedicated so we can keep the statistics and analyze them every two years.

Senator Gibson asked if 3/4 of 1% was in the Post Retirement Fund.

Mr. Bennett said yes, we are not suggesting a dedicated fund, we are individually tacking it on to the cost. Mr. Bennett said there was never a full breakdown. He proceeded to tell the committee how they arrived at their legislative program. Mr. Bennett said in the June 30, 1974 actuarial study, it indicated the cost of present benefits on a 6% investment income assumption would be 18% of compensation. He said we had introduced at the last session the proposal to increase the employee and employer contribution 1/2% each for the next four years. The June 30, 1976 study indicates the cost for present benefits and to fund the unfunded liability over a 40 year period is 13.9%. Presently the contribution is 8% employee and 8% employer contributions which is 16%. We used the difference between the 13.9% to 16% and obtained actuarial cost studies on the areas that are in this bill.

Senator Gibson asked that when we have hearings on the bill be prepared to answer the questions on whether or not the two actuarial projections are based on the same criterias. He said the committee should know the differences in assumptions.

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING

PAGE 4

Mr. Bennett indicated in average compensation, for which is the basis for which retirement is computed, we are trying to provide that you will make retirement contributions only on base salary. This is the salary you would be employed for and your normal earnings, not your gross.

Mr. Bennett said in some cases, state employees receive two salaries from Public Employment in the system.

Senator Hilbrecht said in effect they have two accounts with you. Mr. Bennett said yes. Every year they are combined.

Senator Hilbrecht asked if there was something that could eliminate that.

Mr. Bennett said yes. Allow payment on only one employment. He will take the employment where his larger base is.

Senator Wilson asked if the employee had any vested rights. Mr. Bennett said our recommendation is to stop this kind of contribution on any employment after July 1, 1977. What they have contributed on before will be figured in their average compensation when they retire. Also recommended is that there be no contribution to retirement on terminal leave. When you eliminate retirement contributions on overtime, secondary employment and terminal leave, you provide a considerable savings to the public employers. Mr. Bennett said that the last session created a separate fund for Police and Fireman and in the law created a Police and Firemans Retirement Funded Advisory Committee.

Mr. Bennett said the Nevada Interscholastic Activities Association develops the interscholastic activities among schools. They came to the retirement system and asked if they could be in the system and were reported through Carson City School District. They were put on the report as if they were employees of the school district. We discovered this a year ago and meant with the people. They do not meet this law. The Board adopted a motion that we would keep them in the system as employees of the school district until this session. We recommend they be continued because they are already in. The question is whether you agree they are are public employees.

Senator Gibson asked how many people are involved. Mr. Bennett said two.

Senator Gibson asked how is that any different than Mrs. Johnson drawing retirement benefits when you accepted her for retirement and found out she wasn't eligible.

Mr. Bennett said logically very little. Mr. Bennett said there is a problem with the Agricultural Extension Division. In 1967 they had employees that were covered under the Federal Retirement System and Public Employees System, contributing to both systems. More significant, the University was making the 6% or 7% employer contribution to both systems.

We recommend that we amend the law so that these people can continue in the public employee membership throughout their employment.

Senator Young asked how many in both systems are entitled to Federal and State retirement. Mr. Bennett said 16 people.

Senator Gibson asked if these people will get more money in retirement than in salary. Mr. Bennett said it is definately possible they will get more on retirement than in salary.

Senator Gibson asked how they justify the continuation.

Mr. Bennett said that he thought one of the real problems is the discrimination where you have several employers paying a 7% employer contribution. These people are actually paying 14%, therefore a better benefit.

Senator Lamb told the committee that they have set out to perfect the system. He thought they should be stopped.

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING

PAGE 5

Senator Young wondered if the money that was contributed could be refunded.

Senator Wilson asked what the vested rights were.

Mr. Bennett said ten years. They should all be vested on the system and subsequently draw a retirement at age 60 from the system.

Mr. Bennett stated as testimony last session from public employers who were having problems under the old law of determining whether a person should come in the retirement system. The law said at that time after you work 90 days, you come in if your half time or more and if you earn \$3,600. Mr. Bennett said we put in a bill at their request that provided that if you work 40 hours within a given month you must be enrolled in the system.

Mr. Bennett said once you enroll, you must contribute on employment regardless of when you served. This was found to be a colossal goof.

Mr. Bennett said there is a concern with the University regarding their optional membership in either our system or TIAA. We have tried to eliminate any optional membership. Include is the recommendation that any professor employed after July 1977, would automatically go under the TIAA program.

Mr. Bennett said the Potential Employer Pay Program was studied last session. The committee investigated whether or not there should be a mandatory employer program. Their recommendation was that you maintain the option and make necessary legal corrections that people had testified to. In addition, the Retirement Board is recommending that the board has the right to determine whether or not the retirement staff can come under the employer pay program, rather than the present provision which leaves our decision to the State Board of Examiners.

The biggest problem that came up under the Employer pay, was the agreement enacted last session. The employer pays 15% of compensation if that employer goes to employer pay compensation program, rather than 8% employee, and 8% employer which is 16%. The provision was that half of 15% or 7½% reduction. The law also provides that for the first 36 months that you are under the program, that when a person retires, his retirement average compensation salary shall be increased 7%.

Mr. Bennett said the person that took the employer pay for a 7½% reduction when he retires, loses ½% on average compensation and retirement benefit. His retirement compensation should be increased ½ of whatever this employer pays. We are recommending that we delete the limitation that it be only on the first 36 months.

Senator Young asked if there were any areas that have been on the employer pay concept or if it was relatively new.

Mr. Bennett said it is very new and we are the third retirement system in the nation to have it.

EMPLOYER CONTRIBUTION RATE: (page 24, section 31, subpart 2)

Mr. Bennett said we are recommending that of this amount, ½% is designated for payment of post retirement increases which becomes effective on or after July 1, 1977. The system shall maintain separate statistics for this designated money and report these statistics each regular session of the legislature.

Mr. Bennett said the money so designated, is an asset of the system for actuarial value.

January 31, 1977

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING

PAGE 6

SURVIVOR BENEFITS:

Mr. Bennett said there is recommended coverage to a surviving spouse to be a legal spouse at time of death.

On the Survivor Benefit Program we recommend that any vested member be covered for survivor benefits whether he is working at the time of death or not.

Mr. Bennett said in addition, there is the recommendation for the member that dies after July 1, 1977 stating that he will be paid for each legal child and no limitation on the number of children.

INVESTMENTS PROBLEMS DISCUSSIONS:

Mr. Bennett said we recommend to provide that the board is responsible for employing investment council who are professionals. That we are responsible for establishing investment objectives and policies for meeting with them monthly for giving them directions and determinations in accordance with the boards directives. He said we also provide that the investment board be allowed to pay their travel expensed out of the employer fund.

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Ron Sparks said that the budgets you close should be subject to any modifications and changes you make with the unclassified salary or classified pay bill, fringe benefits, or other legislation which might affect the budget.

Senator Hilbrecht questioned one item related to the Governor, concerning certificates of election resulting from some piece of Legislation enacted in 1973. Senator Hilbrecht asked Mr. Barrett if he could identify the dollar item.

Mr. Barrett said the last figure on the right of page two was an \$8,000 item in the printing line item.

The committee discussed this and said the entire \$8,000 could not be struck out but a portion of this could. The legislation requiring election certificates is repealed.

Senator Hilbrecht move to delete the amount from the printing section as calculated by Mr. Bennett.

OFFICE OF GOVERNOR (page 2)

Senator Gibson: Do Pass  
Senator Young: 2nd  
Motion carried.

GOVERNOR'S MANSION(page 4)

Senator Gibson: Move to approve the Governor's recommendation  
Senator Young: 2nd  
Motion carried.

BUDGET DIVISION: (page 38)

Senator Young: Move to approve the Governor's recommendation  
Senator Wilson: 2nd  
Motion carried.

Senator Young questioned the Governor's election expenses. He felt \$5,000 was adequate five years ago but should be increased.

January, 1977

SENATE FINANCE COMMITTEE  
MINUTES OF MEETING

PAGE 8

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (page 587)

Senator Young: Do pass with the Governor  
Senator Hilbrecht: 2nd  
Motion carried.

PREPAID FUNERAL AND CEMETERY FUND (page 588)

Senator Gibson: Do pass with the Governor  
Senator Hilbrecht: 2nd  
Motion carried.

Senator Hilbrecht said this should be a self supporting operation as originally intended with the Land Sales Act.

Senator Lamb asked if the Land Sales Act should be self sustaining.

Mr. Barrett said at this point we couldn't decrease the staff.

REAL ESTATE INVESTIGATIVE FUND (page 594)

Senator Gibson: Moved to go with the Governor  
Senator Echols: 2nd  
Motion carried.

REAL ESTATE, EDUCATION AND RESEARCH (page 595)

Senator Gibson: Moved to go with the Governor  
Senator Echols: 2nd  
Motion carried.

BANKING (page 597)

Senator Young: Moved that the committee reduce the instate travel by \$1500 each year.

Senator Hilbrecht: 2nd  
Motion carried.

SAVINGS AND LOAN: (page 600)

Senator Young: Moved the committee increased instate travel by \$1500 each year and added a half time clerical position for Carson City office.

Senator Hilbrecht: 2nd  
Motion carried.

The meeting adjourned at 6:45 p.m.

RESPECTFULLY SUBMITTED:

  
HENRI VALENTA, SECRETARY

APPROVED:

  
FLOYD R. LAMB, CHAIRMAN

January 1977

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SENATE BILL NO. 18—COMMITTEE ON FINANCE

JANUARY 18, 1977

Referred to Committee on Finance

SUMMARY—Provides that certain members of interim finance committee remain members until next session of legislature. (BDR 17-623)

FISCAL NOTE: Local Government Impact: No.  
State or Industrial Insurance Impact: No.

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

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AN ACT relating to the interim finance committee; providing that members who do not become candidates for reelection or who are defeated for reelection remain members until the next session of the legislature; 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 218.6822 is hereby amended to read as follows:  
2 218.6822 1. There is hereby created in the legislative counsel bureau  
3 an interim finance committee composed of the members of the assembly  
4 standing committee on ways and means and the senate standing committee  
5 on finance during the immediately preceding session of the legislature. The  
6 immediate past chairman of the senate standing committee on finance shall  
7 be the chairman of the interim finance committee for the period ending  
8 with the convening of the 56th session of the legislature. The immediate  
9 past chairman of the assembly standing committee on ways and means  
10 shall be the chairman of the interim finance committee during the next  
11 legislative interim, and the chairmanship shall continue to alternate  
12 between the houses of the legislature according to this pattern.  
13 2. The interim finance committee exists and may exercise the powers  
14 conferred upon it by law only when the legislature is not in regular or  
15 special session. The membership of any member who does not become  
16 a candidate for reelection or who is defeated for reelection [terminates  
17 on the day next after the election, but no vacancy is thereby created on  
18 the committee.] *continues until the next session of the legislature is*  
19 *convened.*  
20 3. The director of the legislative counsel bureau shall act as the  
21 secretary of the interim finance committee.  
22 4. In all matters requiring action by the interim finance committee,  
23 the vote of the assembly and senate members shall be taken separately.

Original bill is 2 pages long.  
Contact the Research Library for  
a copy of the complete bill.



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SENATE BILL NO. 49—COMMITTEE ON FINANCE

JANUARY 19, 1977

Referred to Committee on Finance

SUMMARY—Makes appropriation from state general fund to contingency fund. (BDR S-592)

FISCAL NOTE: Local Government Impact: No.  
State or Industrial Insurance Impact: Contains Appropriation.

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

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AN ACT making an appropriation from the state general fund to the contingency fund.

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

- 1 SECTION 1. There is hereby appropriated from the state general fund
- 2 to the contingency fund created pursuant to NRS 353.266 the sum of
- 3 \$2,370,941.
- 4 SEC. 2. This act shall become effective upon passage and approval.

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Original bill is on file at  
the Research Library.

(REPRINTED WITH ADOPTED AMENDMENTS)

THIRD REPRINT

S. B. 14

SENATE BILL NO. 14—SENATOR LAMB

JANUARY 17, 1977

Referred to Committee on Finance

SUMMARY—Increases maximum allowance for subsistence expenses of state officers and employees. (BDR 23-614)

FISCAL NOTE: Local Government Impact: No.  
State or Industrial Insurance Impact: Executive Budget.

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

AN ACT relating to state officers and employees; increasing the maximum allowance for subsistence expenses.

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

- 1 SECTION 1. NRS 281.160 is hereby amended to read as follows:  
2 281.160 1. Except as *provided in subsection 2 or otherwise provided*  
3 by law, when any district judge, state officer, commissioner, representative  
4 of the state, or other state employee of any office, department, board, com-  
5 mission, bureau, agency or institution operating by authority of law, and  
6 supported in whole or in part by any public funds, whether the public  
7 funds are funds received from the Federal Government of the United  
8 States or any branch or agency thereof, or from private or any other  
9 sources, is entitled to receive his expenses in the transaction of public busi-  
10 ness outside the municipality or other area in which his principal office is  
11 located, such person shall be paid up to ~~[\$28]~~ \$30 for each 24-hour  
12 period during which he is away from such office and within the state, and  
13 up to ~~[\$15]~~ \$17 in addition to a reasonable room rate for each 24-hour  
14 period during which he is outside the state.  
15 2. *After July 1, 1978, each person who is entitled to receive expenses*  
16 *shall be paid \$32 for each 24-hour period during which he is away from*  
17 *his office and within the state.*  
18 3. Such person may receive expenses for a period of less than 24  
19 hours in accordance with regulations of the state board of examiners.  
20 ~~[3.]~~ 4. Any person enumerated in subsection 1 may receive an  
21 allowance for transportation pursuant to public business, whether within  
22 or without the municipality or other area in which his principal office is  
23 located. Transportation shall be by the most economical means, consider-  
24 ing total cost, time spent in transit and the availability of state-owned auto-  
25 mobiles and special use vehicles. The allowance for travel by private

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164

SENATE JOINT RESOLUTION NO. 2—  
COMMITTEE ON FINANCE

JANUARY 18, 1977

Referred to Committee on Finance

SUMMARY—Requests Congress to call constitutional convention to amend United States Constitution to limit federal spending. (BDR 290)

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

SENATE JOINT RESOLUTION—Requesting the Congress of the United States to call a constitutional convention for the purpose of amending the United States Constitution to limit federal appropriations for any fiscal year to federal revenues estimated for that year, except during national emergencies.

1 WHEREAS, The national debt now amounts to hundreds of billions of  
2 dollars and is increasing enormously each year as federal expenditures  
3 grossly exceed federal revenues; and

4 WHEREAS, Payment of the increased interest on this ever-expanding  
5 debt imposes a tremendous burden on the taxpayers of this country; and

6 WHEREAS, Continuous deficit financing by the Federal Government  
7 supports inflationary conditions which adversely affect the national econ-  
8 omy and all Americans, particularly those persons with fixed or low  
9 incomes; and

10 WHEREAS, Constantly increasing use of deficit financing has enabled  
11 the Federal Government to allocate considerable sums to programs which  
12 in many instances have proved to be wasteful and nonbeneficial to the  
13 public; and

14 WHEREAS, Limiting federal expenditures in each fiscal year to revenues  
15 available in that year, except during national emergencies, will result  
16 in greater selectivity of federal programs for the benefit of the public; and

17 WHEREAS, The annual federal budgets continually reflect the unwilling-  
18 ness or inability of both the legislative and executive branches of the Fed-  
19 eral Government to balance the budget and demonstrate the necessity for  
20 a constitutional restraint upon deficit financing; and

21 WHEREAS, Under article V of the Constitution of the United States, the  
22 Congress is required to call a convention for proposing amendments to  
23 the federal Constitution on the application of the legislatures of two-  
24 thirds of the several states; now, therefore, be it

25 *Resolved by the Senate and Assembly of the State of Nevada, jointly,*  
26 That, pursuant to article V of the Constitution of the United States, the

SENATE JOINT RESOLUTION NO. 3—  
COMMITTEE ON FINANCE

JANUARY 18, 1977

Referred to Committee on Finance

SUMMARY—Requests Congress to submit amendment to United States Constitution to limit federal spending. (BDR 289)

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

SENATE JOINT RESOLUTION—Requesting the Congress of the United States to submit to the state legislatures an amendment to the United States Constitution which would limit federal appropriations for any fiscal year to federal revenues estimated for that year, except during national emergencies.

- 1 WHEREAS, The national debt now amounts to hundreds of billions of  
2 dollars and is increasing enormously each year as federal expenditures  
3 grossly exceed federal revenues; and  
4 WHEREAS, Payment of the increased interest on this ever-expanding  
5 debt imposes a tremendous burden on the taxpayers of this country; and  
6 WHEREAS, Continuous deficit financing by the Federal Government  
7 supports inflationary conditions which adversely affect the national  
8 economy and all Americans, particularly those persons with fixed or low  
9 incomes; and  
10 WHEREAS, Constantly increasing use of deficit financing has enabled  
11 the Federal Government to allocate considerable sums to programs  
12 which in many instances have proved to be wasteful and nonbeneficial  
13 to the public; and  
14 WHEREAS, Limiting federal expenditures in each fiscal year to reve-  
15 nues available in that year, except during national emergencies, will  
16 result in greater selectivity of federal programs for the benefit of the  
17 public; and  
18 WHEREAS, The annual federal budgets continually reflect the unwill-  
19 ingness or inability of both the legislative and executive branches of the  
20 Federal Government to balance the budget and demonstrate the neces-  
21 sity for a constitutional restraint upon deficit financing; and  
22 WHEREAS, Under article V of the Constitution of the United States,  
23 the Congress may propose amendments to the federal Constitution  
24 whenever two-thirds of both houses deem it necessary; now, therefore,  
25 be it  
26 *Resolved by the Senate and Assembly of the State of Nevada, jointly,*  
27 That this legislature respectfully requests the Congress of the United  
28 States to submit to the legislatures of the several states an amendment to

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**S. B. 112**

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SENATE BILL NO. 112—COMMITTEE ON FINANCE

JANUARY 20, 1977

Referred to Committee on Finance

**SUMMARY**—Makes additional and supplemental appropriation to central data processing division for completion and operation of automated personnel and payroll system. (BDR S-699)

**FISCAL NOTE:** Local Government Impact: No.  
State or Industrial Insurance Impact: Contains Appropriation.

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

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AN ACT making an additional and supplemental appropriation from the state general fund to the central data processing division of the department of general services for the completion and operation of an automated personnel and payroll system; 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. There is hereby appropriated from the state general fund  
2 to the central data processing division of the department of general serv-  
3 ices the sum of \$48,400, for the completion and operation of the auto-  
4 mated personnel and payroll system, as an additional and supplemental  
5 appropriation to that allowed and made by section 1 of chapter 150, Stat-  
6 utes of Nevada 1975.
- 7 SEC. 2. After June 30, 1977, the unencumbered balance of the appro-  
8 priation made in section 1 shall not be encumbered and shall revert to the  
9 state general fund.
- 10 SEC. 3. This act shall become effective upon passage and approval.

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the Research Library.

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FIRST REPRINT

S. B. 125

SENATE BILL NO. 125—COMMITTEE ON COMMERCE  
AND LABOR

JANUARY 24, 1977

Referred to Committee on Finance

SUMMARY—Creates special revenue funds for thrift company section and credit union division of department of commerce. (BDR 56-226)

FISCAL NOTE: Local Government Impact: No.  
State or Industrial Insurance Impact: Yes.

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

AN ACT relating to the department of commerce; setting apart certain of its revenues for the use of the department; revising the fee requirement for examination of business of certain licensees; 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 677.390 is hereby amended to read as follows:  
2 677.390 All fees and charges collected under the provisions of this  
3 chapter shall be [paid into the general fund] *deposited* in the state treas-  
4 ury [.] *to the credit of the appropriate account within the state general*  
5 *fund for the use of the department of commerce. At the end of a fiscal*  
6 *year the unused balance of any amounts collected pursuant to this chapter*  
7 *shall not revert to the general fund.*
- 8 SEC. 2. NRS 677.430 is hereby amended to read as follows:  
9 677.430 1. At least once each year, the director or his duly author-  
10 ized representatives shall make an examination of the place of business  
11 of each licensee and of the loans, transactions, books, papers and records  
12 of such licensee so far as they pertain to the business licensed under this  
13 chapter.
- 14 2. For each examination the director shall charge and collect from  
15 the licensee a [fee of \$10] *reasonable fee* for each man-hour expended  
16 in conducting the examination and preparing and typing the examination  
17 report.
- 18 SEC. 3. NRS 678.260 is hereby amended to read as follows:  
19 678.260 The commissioner shall:  
20 1. Adopt a regulation establishing the minimum surety bond cover-  
21 age required of credit unions in relation to the amount of property  
22 under their control [;].

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171