

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
MARCH 14, 1977

The meeting was called to order at 9:00 A.M.

Senator James I. Gibson was in the chair.

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

EXCUSED ABSENCES: Senator Floyd R. Lamb, Chairman
Senator Norman D. Glaser

OTHERS: Ronald W. Sparks, Chief Deputy, Fiscal Analyst
Howard Barrett, Budget
Cy Ryan, UPI
Robert Dimmick, Legislative Auditor
James Lien, Department of Taxation
Homer Rodriguez, Carson County Assessor
John Ciardella, Chief Motor Vehicles Registration
John Borda, Director Highway Safety
Wayne Tetrault, Highway Safety
John Etchamendy, Director State Communications Board
Stan Warren, Nevada Bell
William Parsons, Fish & Game
James Lambert, Chief Highway Patrol
John MacDonald, Communications Specialist Highway Department

Senator Gibson Asked Mr. Dimmick to speak on A.B. 102.

A.B. 102: Creates intergovernmental trust fund and aviation fuels tax revolving account.

Mr. Dimmick said that this bill basically arises from the legislative audit of the Department of Taxation.

Section 1 creates the intergovernmental trust fund. This will give statutory authorization to the state controller to use the fund.

Section 7 makes appropriation from the state general fund to the aviation fuels tax revolving account in the intergovernmental trust fund sum of \$1,500.

Senator Hilbrecht asked why the state general fund should set up a revolving fund to make up shortages in a fund in which the ownership is the counties. Why do not the counties make up this fund instead of the general fund.

Mr. Dimmick said this would be set up as a revolving fund and would be replenished when the revenues do come in. He said about \$562 belongs to Washoe County. It would be unfair for Washoe County to subsidize one third of the revolving fund.

Senator Hilbrecht asked if they received one third of the revolving fund.

Mr. Dimmick said they did not at the present time.

Senator Hilbrecht said he did not understand why if the fund was set up for the counties, why the counties did not fund it.

Mr. Lien said he was in sympathy with Senator Hilbrecht. He felt it could be funded from the tax as well as the general fund.

Senator Gibson asked if they could keep track of these monies.

Mr. Lien said once they had been identified, as they now are, it would not make any difference.

Senator Gibson thanked them for appearing.

A.B. 161: Clarifies administrative powers of department of taxation.

Mr. Lien said this was simply a housekeeping bill as a result of the legislative audit of the department. The old language is outmoded and this bill gives the department its continued authority over the revenue systems or those portions of the revenue system that are not otherwise set out to be under someone else's jurisdiction.

Senator Gibson said he felt this bill had been referred to the Finance Committee in error; there was no fiscal note attached.

Senator Hilbrecht moved that the Committee move it out; Senator Wilson seconded and the motion passed.

A.B. 102: Creates intergovernmental trust fund and aviation fuels tax revolving account.

Senator Gibson asked the Committee for their feelings on the bill.

Senator Hilbrecht said he did not want to appropriate the money.

Senator Gibson suggested deleting Section 7; he wondered if it would need any additional language. Would the deletion imply the use of the fuel tax for the revolving fund.

Senator Hilbrecht moved that the Committee amend by deleting Section 7 and do pass; Senator Wilson Seconded and the motion passed.

S.B. 144: Increases vehicle registration fees payable to agents.

Homer Rodriguez, Carson City Assessor, representing the 15 small counties spoke on this bill. This bill pertains to an increase in registration fees payable to the agents for a motor vehicle for which the assessors are the agents for DMV. 1955 was the last time the Legislature set the \$1. for registration and it is costing the counties much more than even \$2. for registration. So they are asking the Legislature to see that the assessors in the counties get \$2 per registration instead of the \$1 as at present. In the drafting, there was just \$1 added on registration on everything and they did not feel that was necessary. He recommended that passenger cars be increased 50¢ instead of \$1. Then the revenues taken in by the DMV in Washoe and Clark County would be enough to distribute among the other counties. He recommended leaving all trucks with the fees as they are, as he felt they are high enough now.

Senator Gibson said the money he was talking about for the counties was \$125,000. Mr. Rodriguez said he believed that there was around 370,000 passenger cars in Clark and Washoe Counties.

John Ciardella of DMV said that as of December, 1976, the total passenger car registration was 368,549.

Senator Hilbrecht asked why the small counties who do the DMV work do not contract it. He didn't understand why the contract should be charged to the large counties where DMV does not subcontract. He saw no reason for Washoe and Clark Counties to pay 50¢ per passenger car. He preferred putting a dollar a car on where the dollar is needed, as in the fifteen small counties.

Mr. Ciardella said if there was an additional fee on the car, they would go to another county where it was cheaper; he felt this might be discriminatory.

Senator Hilbrecht felt the bill as it stands at present was discriminatory against Washoe and Clark Counties.

Mr. Rodriguez said that he was presently doing a big part of the registration from Washoe County, Douglas and other counties. People who work in Carson City and live in Reno.

Senator Hilbrecht said he did not understand why DMV contracted with them to do it anyway when their headquarters were here in Carson City.

Mr. Ciardella said DMV could not do it because the statute precludes it.

Senator Hilbrecht said his solution was to arrange it so that the DMV Office in Carson City could do it.

Mr. Ciardella said the biggest problem for DMV was lack of space. They would have to get some temporary quarters for three people to work in, to handle it at DMV. He said, for the records, that his division was almost 47 days behind in titles at the present time.

Mr. Rodriguez said it was costing Carson City around \$66,000 to run the department. This figure came up at a previous hearing and Mr. Hill, Director of DMV, at that time came up with a rough figure that it would cost the department around \$85,000 with other expenses added on to that to do this work.

Mr. Ciardella said that the Carson City office, in 1976, had registered 27,000 vehicles, it was a busy office.

Senator Hilbrecht said that in Washoe and Clark Counties the DMV have offices where they collect their own fees. In the cow counties, it is an accommodation to the state to sub-contract. But here he felt DMV should give consideration to collecting its own fees.

Mr. Ciardella said he would have no objection. It would be a convenience to the customer, if a person came in for a title the whole thing could be taken care of at once, registration and all. If it is the discretion of the Committee that they do this, and the law were amended, they would try to work it out. The thrust of this bill is just to say that at this time their cost of operation is costing more than the dollar allowed. The small counties are just seeking some additional revenue on this.

Senator Gibson said he was sure it would cost a lot more to set up offices in the small counties.

Senator Hilbrecht suggested mailing it to the county assessor. Perhaps it would be better to have just two mail centers, one in Las Vegas, and one in Reno. This suggestion was discussed.

Mr. Ciardella said people in the small counties are used to walking in off the street and getting good service.

Senator Gibson suggested that they look at the bill for a bit. He didn't feel there was justification to raise \$500,000 in taxes to get the \$100,000 they needed.

Senator Echols said the thing that distressed him was the two operations that were separate to get a title and then a registration.

Mr. Ciardella said he agreed. They had hopes this year, if the budget is passed, that they will go back to the original concept of issuing the two at one time. Titles will be generated into the computer and it will become one process.

Senator Gibson thanked them for appearing.

Mr. Rodriguez said if they needed any more figures, he would be glad to supply them.

S.B. 331: Appropriates money from state general fund to legislative fund.

Mr. Sparks said this was the final appropriation anticipated to cover the total cost of the legislature. This will be \$1.5 million in total as has been projected. This depends upon the total number of days that the legislature is actually in session as to what the final status will be as to the balance in the legislative fund. This is expected to carry the legislature through 100 days.

Senator Wilson moved for approval and Senator Young seconded.

The motion passed.

OFFICE OF TRAFFIC SAFETY: On August 1, 1975, an Executive Order established the Office of Traffic Safety as a separate and distinct department within the executive branch of state government. This division replaces the Highway Safety Program established by the 1967 Legislature. The duties of the division include the development and revision of comprehensive plans based on an evaluation of state highway traffic safety problems and the definition, development and correlation of annual work programs under such comprehensive plans.

Approximately 89% of the administration costs of the program are paid by the federal government. Of the remaining revenue, 50% is supplied by a general fund appropriation and 50% by the highway fund. There is a possibility that federal regulations may be instituted which will require the state to fully fund certain portions of the costs of operating the agency responsible for administering the Highway Safety Act. Should these regulations be instituted, the recommended general fund and highway fund appropriation may not be sufficient to meet the federal requirements. Should this situation develop, an analysis of the total need will be made and additional appropriations may be requested.

Mr. John Borda, Director, spoke on this budget. He reported on the appropriation from the state, made in 1973, of \$75,000 to be spent through this agency to aid the state's emergency medical services. They obtained \$66,000 of matching local funds and added \$47,000 of federal funds to provide: 11 ambulances; \$21,000 for ambulance equipment and \$21,000 to teach hundreds of persons statewide an 81-hour emergency medical technician course. He passed a map around which showed the location of all the ambulances throughout the state.

He said this program has produced more federal funds while requesting a very small increase from the state. Actually in ten years, this division has received \$100,000 in state monies and has brought in approximately \$4 million in federal monies. He listed the means by which these federal funds have increased.

He gave each Senator a memo showing statistics on accident and vehicle information during the past five years, copy attached.

Senator Hilbrecht asked about the training programs for emergency medical services that are coordinated between Human Resources and Traffic Safety.

Mr. Borda said that his division started the EMS program and once it was started it was transferred over to the Health Division and that is where it has been for the past two years, or more.

The traffic safety agency still puts a portion of their money into EMS. They provide about three ambulances a year; and they fund for training equipment. The training is coordinated with the EMS office and it is done through the Community College and it has worked extremely well. The College coordinates it and have the instructors that are paid by Traffic Safety. These are local people and they are certified instructors.

Mr. Tetrault said there is only one administrative program and that is through the Human Resources Department. Traffic Safety funnels money into that program.

Senator Young asked what they thought was the major factor in decreasing fatal accidents. He wondered if the speed limit was a major factor.

Mr. Borda said in his opinion there was no doubt of this. He listed statistics of accidents to corroborate his statement. He listed the means by which the Highway Patrol determined the speed of a vehicle at the time of an accident.

Senator Echols asked about the salaries, he felt the average was above the state average.

Mr. Tetrault said these are basically management programs. There are only about eight people who manage civic programs. There are only two secretaries. This is the reason it does not average out to the state mean.

TRAFFIC SAFETY FEDERAL GRANTS: This account is a receiving account for the federal funds awarded by the office of traffic safety. The funds in this account are used to reimburse grantees for traffic safety related project expenses. Also included in this account are the administrative monies which support the Office of Traffic Safety.

It is anticipated the amount of federal funding will remain at its present level. Should Nevada continue to reduce its mileage death rate, there is a possibility that further incentive awards, which are based on 25% of the yearly apportionment to the state, would be granted.

Mr. Borda explained that although many times it was a state agency that was a project director for their programs, the money is actually spent in a local area.

Senator Wilson asked what part of this money goes to the Highway Department.

Mr. Tetrault said it was apportioned by Congress. Traffic Safety then programs the money into the highway department or into a local engineering activity. It is not used for construction but it can be used to hire traffic engineers. It can also be used to inventory defects of the highways. He said they have been working with the highway department and their money has been going chiefly into the automation of accurate records. These are used to inventory highways for accident purposes. They have also purchased highway equipment which is used to inventory the highways. The Highway Department gets approximately 25% or \$100,000. These are funds for engineering related highway safety standards. The money would be used, for example, to locate dangerous intersections and improper signing etc. The money would come through Traffic Safety, to the Highway Department and then to a county, for their contract.

Senator Wilson wanted to know where the balance of the money went.

Mr. Borda said it would go to emergency medical services, highway patrol; a majority goes to highway patrol. Mr. Borda listed the programs that they have put on with Highway Patrol.

Senator Wilson said he didn't know that the Highway Department had anything to do with inventorying accidents.

Mr. Tetrault said the accidents are used to indicate areas of highway where accidents are happening; then they have to go out and look at that highway and make sure it is not defective roadway.

Mr. Borda said that the accident reports go to the Highway Department and the automation comes through the Highway Department. This automation is very beneficial to the Traffic Safety agency. This tells them where accidents are happening, why they are happening and who is involved. They take that data and translate it into programs. Mr. Borda also stated that the federal government wanted them to go into statewide traffic records and they avoided it. Their data already with the highway department is all that is needed.

Senator Gibson thanked them for appearing.

STATE COMMUNICATIONS BOARD: This board is charged with the responsibility of providing an efficient and reliable communication system and of coordinating all communications functions and activities of state government.

The Board consists of the Directors of the Civil Defense and Disaster Agency, Department of General Services, Department of Law Enforcement Assistance, Department of Motor Vehicles, Department of Fish and Game, Department of Conservation and Natural Resources, and the State Highway Engineer.

The Board is currently completing construction and installation of a system of mountain top microwave sites which can be used for radio and data communications around the state.

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It is anticipated that the basic system will be over 70% complete by July 1, 1977, and that 100% completion can be achieved early in the first year of the biennium.

John Etchamendy, Director, spoke on this budget.

Senator Wilson asked about a \$50,000 item in the previous years budget.

Mr. Etchamendy said this was in this program because this was the period when they were going to be installing the system. This was a time when more federal money was anticipated. The \$15,000 figure listed for this year is for their use of the system. The \$50,000 went entirely into matching salaries and construction, actually anything that had to do with the installation. In answer to Senator Gibson's question, he said the system would be furnished, roughly, with 120 channels.

Senator Echols asked what the specialized equipment was.

Mr. Etchamendy listed is as follows: special test equipment; in 1977 and 1978 that will buy one frequency counter; two digital volt meters; transmission and noise testers; in the second fiscal year, a spectrum analyzer. He gave detailed descriptions of this equipment and its uses.

Senator Gibson asked if local agencies have access such as the Sheriff's Department.

Mr. Etchamendy said they do indirectly. The Department of Law Enforcement Assistance was given the authority to sub-let the channels to the Sheriff's Departments; Police Departments; etc. Through this department they do have access.

Senator Gibson asked if anyone else wanted to speak on the budget.

Stan Warren of Nevada Bell said he wanted to appear in opposition to the department's proposed budget for the next biennium because he believed that the communications system which the agency controls is being expanded without proper approval. Mr. Warren read from prepared notes, copy attached.

Senator Gibson asked Mr. Etchamendy if he wanted to respond.

Mr. Etchamendy said he really didn't have anything to say. He felt the telephone company was doing all that they could do; they see a possible threat to their existence, although that was not the intent of this type of system. It is primarily being used for the purpose that it was meant to be used for. He said it was true that the system could be used to provide services that the telephone company is providing now. He said to the best of his knowledge none of the services had been implemented up to this time. The Board had no desire to go around the statute. He said in the long run, this type of service, he felt, would cost less.

Senator Young asked what kind he meant.

Mr. Etchamendy said it was the telephone and the data type of communication. It would cost less on the state system than it would through the telephone industry. He said the reason he said this was because the tariffs were already high, they are due to go higher and there are approximately 16 different telephone companies that have to be dealt with within the State of Nevada.

Senator Wilson asked how they could apply or qualify in terms of expanding the system. He felt the statute was quite clear.

Mr. Etchamendy said they had not expanded the system.

Senator Wilson asked if they were proposing to expand the system.

Mr. Etchamendy said he had nothing proposed to expand the tele-communications systems.

Senator Wilson said he thought the budget was effectively expanding.

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Mr. Bill Parsons, from the Fish and Game Department asked to speak. He said that in 1975 and prior to that time his department had identified the use of nine channels on the statewide Microwave system. In the testimony that was presented to the Committee by the State Communication Board members in 1975, the system capability was 460 or 480 microwave channels. As far as the utilization of the nine channels programmed initially by the Department of Fish and Game, within the structure of this budget are two channels, this is a reduction of seven from their original outlay to the Committees in 1975, the reason being that they were not able to fund nine channels, but they felt they could fund two within this budget. The basis for the proposed use of the channels is compatible, they believe, with the principal purpose for the construction grant that was authorized in 1973 that set up the statewide communications system. As was further amplified by the 1975 state communications board budget, those uses included voice communications between enforcement agencies, data circuits, between computers, access to the criminal justice information and control of mountain top repeaters for benefit of the mobile radios. They felt that their proposed use has not been an expansion of the system. They are staying within the confines of the statute.

Senator Young asked Mr. Etchamendy if he felt that because no additional equipment was being sought, that the equipment that was authorized in 1975 has a certain capacity, that the service is not being expanded because that capacity was available for use. Is that the essence of what you say?

Mr. Etchamendy said this was his feeling that the system was bought with the intention of being used with so many channels being available to the users and that any extension above or beyond that original purchase would be considered to be an expansion.

Senator Young said he did not understand all the ramifications of microwaves etc., but he felt they were aware that the Committee would feel they were treading on pretty thin ice hence they got the opinion to meet what they anticipated would be an objection. He asked if he was correct that they had 460 or 490 microwave channels available at the present time.

Mr. Etchamendy said they could be expanded.

Senator Wilson said this would be an expansion of service in your understanding.

Mr. Etchamendy said that would be correct. Anything above and beyond approximately the 120 channels they have now would be an expansion.

Senator Wilson referred to his mention of the Mental Health Institute having a radio capacity.

Mr. Etchamendy said this was a system to the prison etc.

Senator Young asked if they came into the state communications system, would that be an expansion in his opinion.

Mr. Etchamendy said that any time they bought equipment, that is going to be an expansion, that was his understanding. If they had to go out and physically buy a channel unit to accommodate those people, they would have to justify the purchase of that channel unit to the Interim Finance Committee by saying either the tariff was not available through the Bell Telephone Company because of no established tariff, or for some other reason through the telephone industry and thus they would have to buy the equipment in order to provide new service. They would have to make that type of a justification to the Interim Finance Committee before they could even purchase any additional equipment to provide the service.

Senator Young said it seemed to him that they could expand the service without actually buying more equipment. But he said he did not understand all this. He wondered where it was going, how much it was going to cost and what did they visualize in the future.

Senator Young said he thought there were three or four questions along that general line.

Mr. Etchamendy said they wanted to know when it was going to be done and they project that to be the end of this year when they will have a completed system. He pointed out that this was a two year project when it started out last session. Actual installation of the system began in December of last year, a year ago. By this December, they will be finished with the system. It will take the two years that they thought it would take. As to the expansion of the system, there is no proposed expansion at this time. For the additional cost that is involved, they have obtained all the financing. He said they were going to need to finish the system and maintain it. They have only two people to maintain a statewide system, they do get help on a cost basis due to the technicians from the other state agencies who have radio technicians to do service work for them. They have sent the technicians to school to qualify them so they can work on the system. They felt they were saving the state a lot of money by doing that, utilizing or training the present technicians that they have, training them to take care of the system at this time. He said he did not foresee any need for any additional technicians unless the system grows to such a capacity that they will need more people.

Senator Young said Mr. Warren mentioned about three budgets that totalled about \$100,000 and requests to run some sort of tie-in, he asked if this would expand the service even though they were using existing facilities.

Mr. Etchamendy said it would not. He said Mr. Warren was trying to indicate that it would. That money is going to be used to utilize the existing equipment that is on the system, the existing channels. Peripheral hardware: things such as remote control consuls and things for the hot lines etc. Things that are needed to actually tie on the end of the system. And the lines that Mr. Warren is talking about are used to interconnect the office to the system and they are at a very nominal cost compared to the total services that were going to be provided by the telephone company. There is no other way that they can get that service, except through the telephone company, to physically tie the peripheral equipment to the microwave terminal. The terminal can be only located in one location in a given city and there might be three or four different offices that have to be served with that microwave system. The only way they can get there is through telephone company lines.

Senator Young asked if Mr. Warren could respond to some of those things. He said he could not follow it.

Senator Wilson said first he would like to read something that might have some bearing on the case. He read from para. d.233F.080 relative to the Legislative findings and declaration. "No proposal for the state rather than the telephone industry to provide expansion of the telecommunications service, equipment or facilities provided to the State of Nevada may be implemented without the approval of the Interim Finance Committee." He felt this was gray area "expanding within the capacity of the system"; he said his trouble was that he was a layman, so he did not know what he was talking about so he asked: "Were they talking about expansion of service, equipment or facilities, notwithstanding the capacity."

Mr. Warren asked to say one thing. He felt that the hallmark to the amendment that was put on last time really did not have anything to do with the capacity in volume or the size of the microwave system and the channels it can handle. He thought that looking at section 2 of NRS233F, "considers a proposal for expansion of the telecommunications service, equipment or facilities normally provided to the State of Nevada by the telephone industry," some of the things that have been talked about, the microwave channels, the discussion that has gone on has been pretty well around mobile radio and he was referring to the pure sense of the discussion of services normally provided by the telephone system. He said they did not provide mobile radio, they were ruled out of that many years ago, but they do provide telephones, data- they had a discussion on hot lines and this is a gray area, you tie despatchers together with a hot line, that is gray; but Mr. Parsons, from Fish and Game when they appeared on this same budget at Ways and Means, said in answer to Mr. Warren's question about

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the link in Reno between Fish and Game and the Highway Patrol, they would like to have the telephone company put a facility in there: when asked what are you going to do with the facility, Mr. Parsons said they were going to put a telephone on the end of it. From there it goes into the microwave of the highway department, comes to Carson City, it goes into the Highway Building where there is a mechanical switcher, a central office such as the telephone company serves homes with, different in size, much smaller; there it could dial and select any channel that it wanted to go to another location. When asked where he would be calling, Mr. Parsons said to the office in Las Vegas. Now this is where the telephone company comes up with what they are talking about here on these channels that they have been asked for by Fish and Game and some of these others, for that type of a use, which they feel is in fact a service that is provided by the telephone company industry.

Mr. Warren said he looked at that on the use of wats, and most of the legislators from the southern part of the state are using wats considerably and know that the expense is fair on assured basis. These are the things which he was talking about. When they talk about expanding the system to what it could do, basically that system could meet every need that the telephone company does provide, if you wanted to look at it that way.

Senator Wilson said that the language was the same in both paragraphs in NRS233.

Senator Young said he felt they were supporting what Mr. Warren had said. There may be justification for what communications wanted to do, perhaps the Interim Finance Committee would have approved it in the Legislature, but he felt they were circumventing the guidelines which were laid down by the Legislature, which may have not been wise, he admitted, but he felt they were expanding the service and trying to justify that rather than justify not having come before the Interim Finance Committee.

Mr. Etchamendy asked if he could answer that question. He said the thing that was being missed was that they had already established a certain amount of equipment for each agency and they are only asking for permission or money to go buy things so they can use those channels. If it were necessary for them to go to the Interim Finance Committee to buy the peripheral equipment to put on the channels, they would not be getting any revenue on the thing until 1990. The method for getting the communications was authorized and all of the agencies that were going to use it indicated their purpose and how many channels they were going to need for the justification for the budget to the 1975 legislature, when they bought the equipment for the microwave system itself.

Senator Young asked if Mr. Warren was correct when he said that with the existing equipment you could take over practically everything that the private sector is doing now?

Mr. Etchamendy said that was totally incorrect.

John MacDonald, Communications Specialist from the Nevada Highway Department spoke next. Mr. MacDonald said he would like to respond to a few things that have come up. First of all, he said, the Committee had indicated a lack of knowledge about microwave systems and channels, capacities and everything else. He said he could perhaps draw an analogy that will help clear things up a little bit.

If there were a paved 480 lane highway around the state, everywhere the Highway Department itself wants to go on communications it has to provide its own access to one lane and its own egress from that lane. So when the Highway Department says it wants to buy so many channels they have to buy the pavement to get on the highway. The same with Fish and Game. At the last session of the Legislature he testified before the Senate Finance Committee and others and the system was purchased and provided with certain channel equipment. Fish and Game was going to use some of it, the Highway Department was going to use some of it - the Highway Department was authorized 40; the Department of Motor Vehicles was authorized 60; Fish and Game was authorized nine.

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He said he wanted to respond to Mr. Warren's comments about the highway ordering wires from Central Telephone in Las Vegas. The Highway Department is currently shifting some of its emphasis to the Las Vegas area and they are going to have a much more expanded office down there and the wires were requested to go from the Highway Department Building to the Highway Patrol Office on Bonanza Street so that they could utilize the channels that they were authorized from their office. The micro system terminates at the Highway Patrol facility on East Bonanza. The Highway Department is on North Main, so in order to get to one place they had to either put in another microwave length to carry the channels they needed or lease circuits from the telephone company and they chose to lease from the telephone company. In testimony before the legislature they were authorized 40 channels, 60 channels for DMV; 240 channels, half the system was dedicated to law enforcement purposes. If someone says he wants to utilize a channel that has been authorized, then they have to buy that little bit of access that puts them on the 480 lane right-of-way.

Senator Wilson said part of the difficulty which maybe was the language employed talking about expansions of services, equipment or facilities, notwithstanding the capacity when they talked about buying equipment to use they are expanding services.

Mr. MacDonald said that he personally would interpret that as anything beyond his authorization by the 1975 session of the legislature would be an expansion of services.

Senator Echols asked if they could get a copy of the document that listed the authorizations given in 1975.

Mr. MacDonald said they presented a package to the interested people which indicated the anticipated usage of the microwave system. He said there would be a document somewhere.

Mr. Warren said if he knew what some of the plans were of the State Communications System, he might not even be sitting there. This has always been a big dark thing. As far as talking about testimony at the last legislature, he said he appeared on A.B. 161 and made three or four formal presentations on it, and at no time did he recall talking anything more about quantity than the total system capability. He said he did not recall what the highway was going to use, or what Fish and Game was going to use.

Senator Wilson said they were running out of time and he would like to ask something definitive of what was authorized in 1975 and where is the agency going, bearing in mind that they are dealing with people, who like himself, knew nothing about microwave systems etc.

Mr. MacDonald said he did not have the package that was presented at the last session on his person, but to clarify, the Highway Department has an extensive mobile radio system and they have contracts throughout the state where there are resident engineers for supervising the work of million dollar projects and they have to have communications with the district officers and with the Highway Headquarters in Carson City. At the last session their long range hope for a communications system was discussed, which they are implementing, which gives them essentially a channel to each of the mountain tops that are used, plus channels to the district offices and that is all they will have.

Senator Gibson asked Mr. Sparks to get the records from the minutes of last year. The Committee spent quite a bit of time on this bill then. When they get the minutes, another meeting will be scheduled.

Don Klasic, Deputy Attorney General, said the minutes reveal that when Mr. Warren first approached them, the language was something like this: "Service normally provided by private industry across the board," he later changed this to say 'service normally provided by the telephone industry' but that is not the language that came out from the committee. 'Service normally provided to the state of Nevada by the telephone industry'.

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Mr. Etchamendy said he would like to correct Mr. Warren on the figures he used from other budgets as evidence of the increased spending. He said this would not expand the system, it would merely provide things to utilize the equipment that was purchased during the last biennium. This provides equipment to utilize the channels that were purchased on this microwave system. He explained that there is a certain amount of peripheral equipment that has to be bought to put on a state microwave system and the peripheral equipment has to be bought by the agency to connect to the system.

Senator Wilson said probably the key to the legislative policy was what constitutes a proposal for expansion. He asked how do you define expansion?

Mr. Etchamendy said they recently had an opinion on this, an informal one. He said it would probably be better if the deputy attorney from the Attorney General's Office answered that question. He said the best interpretation he had was that it meant any expansion over what they presently had, to the capacity of the microwave system; having nothing to do with any other budget, any peripheral equipment or anything else that goes in, just the microwave system.

Senator Wilson asked what the capacity of the microwave system was.

Mr. Etchamendy said that right now they have approximately 120 channels. This is the same as in 1975, they have not added anything to it.

Senator Wilson asked to what extent has the capacity been utilized.

Mr. Etchamendy said they had hooked up approximately 60% of the circuits on the system.

Senator Wilson asked if those circuits were authorized by the 1975 session.

Mr. Etchamendy said he felt it would be ridiculous to spend \$500,000 in federal money and a matching amount of state money, to buy a system that you could not use. So they are certainly going to use the circuits. He said his answer to the Senator was that the system was authorized. The budget that went with it included the items.

Senator Wilson said he was trying to determine the definition of the base or the status quo in 1975 to which, apparently, proposals for expansion were linked.

Mr. Etchamendy said the system that was bought in 1975 has not been expanded.

Jim Lambert, Chief of the Nevada Highway Patrol asked to speak. He said in Mr. Warren's presentation he said that they had requested additional lines and additional costs other than what were prescribed in the original budget in 1975. He said this was a direct misstatement of fact. Their channels in the beginning were reserved in the number of 60 and this was a future use and they were predicated on mountain top control so they could get out of the high band spectrum which is being eradicated as control channel frequencies; and also to install emergency hot lines; and if Mr. Warren would remember back to the testimony in the last session he would remember that they were agreed to by his company. The Highway Patrol has done exactly that. They have hot lines between Reno and the Carson City Headquarters; they have the emergency hot lines between Carson City Headquarters and Las Vegas and Las Vegas to Reno. They are not into the Elko headquarters Office. Their channel use to this point and their projected use is exactly geared as hot line communications and mountain top controls for Nevada Highway Patrol. The \$36,000 is the channel charge as was discussed in the previous budgets and he asked Mr. Barrett to verify the usage of this: they are buying, on a user basis, channels for this control. This is where their budgets are, that is where the \$36,000 is that Mr. Warren referenced in the Highway Patrol Budget. These are the basic systems that they proposed to implement and utilize in the 1975 session.

SENATE FINANCE COMMITTEE
MINUTES OF MEETING

MARCH 14, 1977

PAGE TWELVE

He said he felt that was important.

Mr. Parsons said he wanted to make one comment on remarks from the Senate Finance Committee meeting of May 2, 1975 that Mr. Warren said that Nevada Bell was not against mobile radios for certain agencies nor are they against communication between dispatchers, he was referring to hot lines of the state.

Mr. Barrett said the additional amounts that Mr. Warren referred to as additional amounts are not additional to the figure there. They are where the \$133,000 is going to come from, they are not additional to the figures in the budget.

Senator Gibson announced the time for the morning meeting as 8:30 A.M.

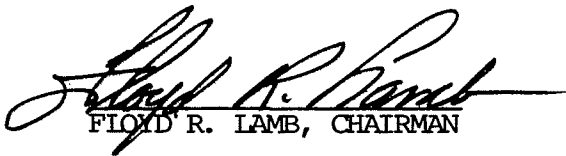
The Meeting adjourned at 10:45 A.M.

RESPECTFULLY SUBMITTED:



MURIEL P. MOONEY, SECRETARY

APPROVED:



FLOYD R. LAMB, CHAIRMAN

ACCIDENT - VEHICLE INFORMATION

1971 THROUGH 1976

	<u>1971</u>	<u>1976</u>	
TOTAL ACCIDENTS	22,669	26,205	+16%
FATAL ACCIDENTS	230	192	-17%
FATALITIES	269	224	-17%
VEHICLE MILES	3,623,000,000	4,714,000,000	+30%
VEHICLES REGISTERED	419,749	568,017	+35%
LICENSED DRIVERS	356,749	450,086	+26%
M.D.R.	7.42	4.75	-36%

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 102

ASSEMBLY BILL NO. 102—COMMITTEE ON TAXATION

JANUARY 20, 1977

Referred to Committee on Taxation

SUMMARY—Creates intergovernmental trust fund and aviation fuels tax revolving account. (BDR 31-247)

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

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

AN ACT relating to public financial administration; creating an intergovernmental trust fund under the administration of the state controller; creating within that fund an aviation fuels tax revolving account; 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. Chapter 353 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:

3 *The state controller shall account for all amounts received by the state*
4 *for distribution to local governments and all amounts received from local*
5 *governments for distribution to state funds through the intergovernmental*
6 *trust fund which is hereby created.*

7 SEC. 2. NRS 365.430 is hereby amended to read as follows:

8 365.430 1. **[All]** *Except as otherwise provided in NRS 494.043,*
9 *all claims for refunds under this chapter shall be paid from the combined*
10 *gas tax fund upon claims presented by the department, approved by the*
11 *state board of examiners, and allowed and paid as other claims against*
12 *the state are allowed and paid.*

13 2. Any refunds to be made of the taxes provided for in NRS 365.180
14 and 365.190 shall be paid in the manner provided in this chapter and
15 deducted from the amount of any later payment to the county or counties
16 in which the taxes were collected.

17 SEC. 3. NRS 365.565 is hereby amended to read as follows:

18 365.565 The tax derived from motor vehicle fuel used in aircraft
19 shall be distributed, after payment of refund claims as provided in NRS
20 365.370 and 494.043, in the following manner:

21 1. There shall be transferred to the Civil Air Patrol fund, hereby
22 created in the state treasury, from the **[state airport fund,]** *aviation fuels*

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

A. B. 161

ASSEMBLY BILL NO. 161—COMMITTEE ON TAXATION

JANUARY 26, 1977

Referred to Committee on Taxation

SUMMARY—Clarifies administrative powers of department of taxation.
(BDR 32-260)

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

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

AN ACT relating to revenue and taxation; clarifying the administrative powers of the state department of taxation; 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 360.200 is hereby amended to read as follows:
2 360.200 [In addition to the specific powers enumerated in this
3 chapter, the department shall have the power to] *The department may*
4 *exercise the specific powers enumerated in this chapter and, except as*
5 *otherwise provided by law, may exercise general supervision and control*
6 *over the entire revenue system of the state including the administration*
7 *of the provisions of chapter 397, Statutes of Nevada 1955, as*
8 *amended (NRS chapter 372).*

Ⓢ

Original bill is on file at
the Research Library.

S. B. 331

SENATE BILL NO. 331—COMMITTEE ON FINANCE

MARCH 9, 1977

Referred to Committee on Finance

SUMMARY—Appropriates money from state general fund to legislative fund. (BDR S-1781)

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



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

AN ACT making an appropriation from the state general fund to the legislative 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 legislative fund existing pursuant to the provisions of NRS 218.085
3 the sum of \$500,000.
4 SEC. 2. This act shall become effective upon passage and approval.

③

Original bill is on file at
the Research Library.

STATE COMMUNICATIONS SYSTEM 233F.080

233F.080 Legislative findings and declaration.

1. The legislature finds and declares that a state communications system is vital to the security and welfare of the state during times of emergency and in the conduct of its regular business, and that economies may be realized by joint use of the system by all state agencies. It is the purpose of the legislature that a state communications system be developed whereby maximum efficiency in the joint use of existing communications systems is achieved and that all communication functions and activities of state agencies be coordinated. It is not the intent of the legislature to remove from the department of general services control over the state telephone system intended for use by state agencies and the general public.

2. ~~The legislature further declares that if at any time the state communications board established by this chapter considers a proposal for expansion of the telecommunications service, equipment or facilities normally provided to the State of Nevada by the telephone industry, such service, equipment or facilities are to be provided through the telephone industry except when the requirements of subsection 3 have been met:~~

~~3. If the state communications board has reason to believe that significant savings can be achieved if proposed expansions of the telecommunications service, equipment or facilities normally provided to the State of Nevada by the telephone industry are provided by the state rather than through the telephone industry:~~

~~(a) The board shall conduct a study and prepare a report detailing the proposed expansions and the estimated savings. The report shall be submitted to the research and fiscal analysis division of the legislative counsel bureau for review.~~

~~(b) Upon receipt of such report, the staff of the research and fiscal analysis division shall evaluate the findings and conclusions of the board and shall present to the interim finance committee its analysis of the proposed expansions and estimated savings.~~

~~(c) The interim finance committee shall review the report of the board and the analysis presented by the research and fiscal analysis division and may approve or disapprove the board's proposal.~~

~~(d) No proposal for the state rather than the telephone industry to provide expansion of the telecommunications service, equipment or facilities provided to the State of Nevada may be implemented without the approval of the interim finance committee.~~

(Added to NRS by 1975, 1116)

I am appearing in opposition to this department's proposed budget for the next biennium because I believe the communications system this agency controls is being expanded without proper approval.

In 1975, I sat here and described to you some of the factors that must be considered in developing a private communications system, then I converted these factors into plain dollars, using parameters developed by Arthur D. Little, a well-known fiscal analyst.

At the time I appeared before your committee I also strongly endorsed two suggestions related to the use of the state's communications system which was then being developed:

1. That the system be used for mobile radio, and improved to not only meet the obvious needs of mobile communications, but also expanded to serve voluntary ambulance service and school buses that serve our remote Nevada areas.
2. I also agreed that the state's communications system should be used to its most economic advantage; i.e.

If it is cheaper to use the system for other communications needs rather than use the telephone company, then the system should be used that way - if not, then the state's telephone industry should be the serving vehicle for these needs.

Your committee agreed to my second proposal about the economic use of the system, and amended the bill then being considered. I have for you today a copy of the law you passed in 1975 that sets the conditions under which the state's communication system can be used to meet telecommunications needs normally provided to the state by its telephone industry.

STATE COMMUNICATIONS SYSTEM 233F.080

233F.080 Legislative findings and declaration.

1. The legislature finds and declares that a state communications system is vital to the security and welfare of the state during times of emergency and in the conduct of its regular business, and that economies may be realized by joint use of the system by all state agencies. It is the purpose of the legislature that a state communications system be developed whereby maximum efficiency in the joint use of existing communications systems is achieved and that all communication functions and activities of state agencies be coordinated. It is not the intent of the legislature to remove from the department of general services control over the state telephone system intended for use by state agencies and the general public.

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(c) The interim finance committee shall review the report of the board and the analysis presented by the research and fiscal analysis division and may approve or disapprove the board's proposal.

(d) No proposal for the state rather than the telephone industry to provide expansion of the telecommunications service, equipment or facilities provided to the State of Nevada may be implemented without the approval of the interim finance committee.

(Added to NRS by 1975, 1116)

When considering a proposal to expand service (normally provided by Tel. Industry)

Conduct Study - costs, submit to Fiscal Analyst

FISCAL ANALYST shall EVALUATE - present to Interim Finance

Interim Finance shall review - approve/disapprove

No expansion w/o Interim Finance approval

Gentlemen, to my knowledge the communication board has not asked for approval to expand their system's services, yet at this moment, the state system is being expanded to meet telecommunications needs that are presently being provided to the state by its telephone industry.

Nevada Bell and Central Telephone have been asked to provide cable connections between state agency offices and the state microwave system in both Reno and Las Vegas. We have received these requests from:

- Fish and Game
- Narcotics Division
- Highway Dept.
- DMV Automation Division
- Highway Patrol

Central Telephone has even been given a forecast of future cable connection needs that bogle the mind.

/QUOTE THE FORECAST/

Through the rumor-mill, I've heard some similar expansions are planned for Elko.

Our engineers have been told by state people that the intent of these connections is to allow state-owned and maintained telephones to be connected to the state's microwave system for long distance calling to other state offices in other Nevada cities.

Each of these connections will bear installation charges, and will bring about added monthly billing to the state, that will be a duplication of what already exists - a telephone.

Now, if the idea is to avoid toll charges - no comparisons have been made. The shared use of WATS services throughout the state can hardly be considered unattractive.

Per telephone conversation with John MacDonald on February 3, 1977, he forecasted that 25-4 Wire Circuits would be added to Las Vegas terminal by the end of 1977 and 15 to 20 additional circuits in 1978. He projected 60 to 100 pair of additional entrance cable would be required from Centel in 1977.

Per meeting with Tom Frazee (Statewide Network Installer) on February 8, 1977, he advised only law enforcement agencies would be accessing network and could not give specific requirements of those agencies. Each agency will determine for what purpose the network will be used and could request a 4 Wire Circuit, D.C. Control, Data or a 2 Wire Circuit as access lines from their location to network terminal. We requested that Mr. Frazee have his superior in Carson City send us a letter stating the entrance cable requirements for 1977 and 1978, in order that we would have facilities available to meet these requests.

On February 23, 1977, Chuck Buscher, Statewide Network Installer, advised Centel that as we had no access to terminal room, he had run 200 pair of house cable from network terminal room to janitors closet and requested that our cable installers terminate the 200 pair on a Demarc Strip in the janitors closet where Centel could have 24 hour access.

I fail to see the economies that can result from the state system being used to reduce toll calling charges. ~~(If data communications is the need - we'd like to know more about that, too. We've been providing these needs to the state for many, many years also.)~~

Gentlemen, to our knowledge, no comparisons have been made and they should be. The law says so!

The budget you're considering at this time ^(pg 81) isn't all the new money that is being spent on this system. There is more.

	EACH YEAR
Page 548 I.D. & Communications "Communications Board' Assessment	51,141
Page 748 NHP "Communications Board' Assessment	36,737
Page 755 Automation "Communications Board' Assessment	12,000

AD 241 - Criminal Justice System \$56,900 99,878
(199,756)

Each added dollar simply increases your investment in the system. And for each dollar you add, the more it will cost to maintain. And don't forget, eventually you'll need to replace your investment.

In 1975 I felt reasonable controls were put on the expanded use of this system - they don't seem to be working.

I really don't know what the answer is - perhaps you should add a member of the state's telephone industry ^{To The Board,} or someone else from the private enterprise sector to control this. That might help.

^{still} In closing, I'd like to bring to your attention some questions that I feel need to be answered.

When will the system be completed?

How much more money is needed (from anyone, not just the communications board)?

What are the ultimate uses of this communications system?

or

Maybe a stated declaration of how this system will be used,
and for what purposes *is also needed.*

Thank you for your time. I would like to try to answer
any questions you may have.

3/14/77

(Please Print)

Name	Organization	Address	Phone
ROBERT D. DIMMICK	LEGISLATIVE COUNSEL BUREAU AUDIT DIVISION	LEGISLATIVE BLDG	5620