

SENATE FINANCE MEETING
MINUTES OF MEETING
APRIL 21, 1977

The meeting was called to order at 8:15 a.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 D. Glaser
Senator Thomas R. C. Wilson
Senator C. Clifton Young

EXCUSED

ABSENCE: Senator Norman Ty Hilbrecht

OTHERS: Ronald W. Sparks, Chief Deputy, Fiscal Analysis
Howard Barrett, Budget Director
Cy Ryan, UPI
Paul Cohen, Bureau Chief, Alcoholism and Drug Abuse
David Hagen, U. S. Brewing Industries
Bob Warren, President, Nevada League of Cities
John Meder, Administrator, State Park System
Randy Capurro, Member, State Park Commission
John Winter, Rancher
Lee Walker, Representative, Cosmetology Association
James Costa, Deputy Superintendent, Dept. of Education

Senator Lamb asked if there was anyone who wanted to speak on A. B. 334, which requires use of 10% of liquor tax proceeds for alcoholism and drug abuse treatment.

Mr. Cohen said he was there in support of the bill and its intent and also to make a recommendation on page 2, lines 16 through 23. They are required by federal law to utilize the advisory board in the approval of the state plan. Section 3 of the bill gets into the legislative and the executive branches of government and they already have, by law, state and federal regulation governing the approved state plan that they submit through the division administrator, through Mr. Trounaday and then it is approved by the Governor's office. Before they are eligible to utilize the general appropriate funds or the federal funds which they receive for either alcohol or drugs, this plan must be approved.

They also, through Mr. Barrett's office, must have an approved work plan. Every quarter of the fiscal year they have fiscal quarterly reports that are submitted and are available upon review for any individual including the Legislature or the Executive branch of government. So this is already involved and they recommend that Section 3 be removed.

Senator Lamb referred them to the feasibility of the money. He said this was an invasion in the tax base that is already set aside for certain things.

Mr. Cohen said that Mrs. Gomes and Senator Raggio spoke on this with Assembly Ways and Means.

Senator Lamb asked if he knew the record of the Senate Finance Committee with reference to the invasion of the tax base which was already set up.

Senator Gibson said this money would come from general funds. He asked what the fiscal impact would be.

Mr. Cohen said that he did have the fiscal impact of the bill: in '77-'78 it would be approximately \$341,000; and in '78-'79 it would be \$368,000.

Senator Lamb thanked him for appearing.

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Mr. Hagen asked if he could speak against the bill. He said he was representing the U. S. Brewing Industry and the U.S. Brewers, both of whom opposed this legislation. They did not feel the intoxicating beverages industry should be singled out as a cause of alcoholism. It is recognized as a problem and it is a problem to the State of Nevada. It should come from the general fund.

Mr. Warren said that the Nevada League of Cities supported the bill. He said they wanted only to point out that this might not be a raid on the treasury as indicated; that if the statistics were correct that were presented to this committee on an earlier bill, about the \$60. million impact on the state due to alcoholism; if you just discount half of that impact and reduce it to \$30. million, and then assume that only 10% of the persons were helped that everyone talks about, you still have a \$3. million saving to the state which far offsets the loss to the treasury. So it may not mean digging deep into that pocket, it may mean putting more in the other pocket and overbalance the scale on behalf of the state.

Mr. McDonald said he did not concur in the assumption that the counties should help, as they do not share in any of the liquor tax proceeds. However, he said they endorsed the bill.

Senator Lamb said he did not think that the Committee needed to hear A.B. 604. He had talked with Mr. Costa from the Department of Education and he said there was no fiscal impact on the bill even though they have added a new program.

Senator Gibson said it looked as though they had rearranged the language, that program is in the language up above.

Discussion followed on why they needed the bill as long as the program was already included; some of the members felt this would result in more money down the line or it wouldn't have been referred to a money committee. The Committee agreed that they would like to hear from someone in education in further detail on the bill.

A.C.R. 26: Allocates park bond proceeds.

Mr. Meder spoke on this bill and said that this resolution was put together by a joint subcommittee of Senate Finance and Ways & Means. Senator Young said he was on one of those committees and he didn't participate in this. Mr. Meder agreed that perhaps it was just put together by Ways and Means.

Mr. Meder explained that what is being done is, of the \$10. million that was made available by the last bond issue, \$6.5. million were to be sold. Of that \$3. million will go to state parks, \$1.4 would go to Tule Springs and there was another money bill before the Committee this morning.

He said that \$2. million of the \$5. million had been distributed to the local governments in general park applications and these have been broken down by districts.

Senator Wilson asked why Lahontan was not addressed in the bill. He explained the breakdown of the \$10. million. Mr. Meder said that there was a request for the '75-'77 acquisition program, which is before you now, which would include properties at Lahontan. He said they did make a presentation earlier at a

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joint session that there were other properties in which they were interested and would like to look at. He said of the \$3. million, this committee has decided that \$1.4 million of that would be used for development of Tule Springs. He said they had made a recommendation and it was now up to the Finance Committee.

Senator Lamb said Senator Wilson was concerned with the priorities, so perhaps Lahontan should have a higher priority than some of the other areas.

Senator Lamb asked how much was set aside for Ghiglia Ranch. Mr. Meder said \$1.5 million had been added in.

Senator Lamb asked Mr. Barrett if it wasn't going to cost around \$200,000 to sell and pay the interest on these bonds, even though they do not spend it in this area? He felt what the bill did was ask to get the bond money and the inference would give them permission to buy the Ghiglia Ranch.

Mr. Barrett said the total bond cost, if they could sell the bonds for the capitol building and those in parks as one issue, if you go with the \$1.5 million additional in this bill, would be \$20,000 more.

Senator Lamb asked Senator Wilson what his feeling about Lahontan was.

Senator Wilson said that that place was under tremendous public pressure from the Carson City and Reno areas. As the pressure increases the commercial value of privately owned property out there is going to increase and he felt they should acquire those parcels and get them in state hands to complete total use of that facility there. He said he did not know what kind of a price tag was hung on those pieces of land.

Senator Lamb suggested that the committee look at A.B. 524 and decide what they were going to do with that.

A.B. 524: Requires division of state parks of state department of conservation and natural resources to purchase, under prescribed conditions, certain real property located in Lyon County, Nevada for state park system.

Mr. Meder said the only comment he would make was that the Ghiglia Ranch had been reviewed for a potential site and the recommendation is that it does have good park potential. He said his biggest concern was that they are looking at another 3,000 acres.

Senator Lamb said he would rather see them get one good park. Mr. Meder agreed.

Mr. Winter said he thought the Committee had good knowledge and expertise, and spending money for the purchase of Ghiglia Ranch at this time, for another purchase of agricultural land, he didn't think was such a good idea.

Senator Lamb referred to the Oliver Ranch and the Ghiglia Ranch that the Parks System was thinking of buying. Mr. Meder said this request for the Ghiglia Ranch was not the request of the Park Division. He said this was Mr. Dini's request. He said he had given the Committees a general shopping list on properties that would be desirable for park purposes.

Senator Wilson asked him if this was a request from the Assembly which he introduced as a matter of courtesy.

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Mr. Winters said he might speak to the desirability of this as a state park. It is in a flood area, it's the last ranch on the Carson River and in the '63 flood you could see pieces of pavement about the size of the room that were floated over the fence from the railroad tracks to the river and he did not feel that it would be proper to spend state money on lands that would have chances of being wiped out during the floods.

Senator Lamb asked Mr. Dini to speak on the Ghiglia Ranch.

Mr. Dini said this bill was designed mostly to get the appraisal and you have to tie bond money into it. The Interim Finance Committee is going to make the acquisition if anybody does. He brought it before the Legislature because it is available for sale right now, it's a big place, 3,100 acres; he didn't feel the fiscal impact to the county, for the taxes they would lose, would be anything of any consequence, something in the neighborhood of \$4,000 a year. He said they are talking about the development of the park system, something that would help the whole area, and this area of Nevada is going to be the center of recreation for all western Nevada eventually with the growth in Reno, Carson City and Douglas County. In the long run, if that area is really developable, it's a real fine piece of property, it's got game, access to the Carson River and the potential for recreation such as duck hunting and goose hunting is tremendous. He felt the time to acquire it was when it was up for sale. He said he thought the marsh area was developable by the Fish and Game for the goose hunting.

Senator Wilson asked, in referring to the Ghiglia Ranch, was he referring to the Lahontan area generally?

Mr. Dini said the Lahontan area was on the back side of the ranch, it is a marshy area where the geese are available for hunting.

Mr. Dini said the owners had not let people hunt on the place for a good number of years, that is why they have a nice deer herd in there. He told them that if they ever took a drive through there, they would fall in love with the place. He thought it would be good for the whole area.

Senator Gibson asked if this was just available as a total package or was there a part of it.

Mr. Dini said he personally felt if they acquired it, they should take the whole thing and see what could be developed and what could be put back into agricultural uses. Part of it is leased out now, part is in alfalfa and mostly for cattle. The owner has sold the cattle herd and is leasing it right now.

Senator Glaser asked what the property would be worth per acre.

Mr. Dini said he did not know what land was going for in that area, that is why they wanted the appraisal. He asked Mr. Meder what the appraisal would cost. Mr. Meder said about \$15,000. Mr. Dini said he did not feel anyone could buy that land for less than \$800 or \$1,000 an acre. He said the testimony the Park Commission gave them recently and previously in a joint hearing was that it was a piece of property they would like to acquire. In touring the place he felt it was a developable piece of property for recreation.

Senator Lamb thanked him for appearing.

Senator Lamb referred the Committee back to A.C.R. 26. The allocation of the money to districts was discussed and the

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use of the parks bond money, for acquisition or development.

Senator Young felt there should be some limitation, maybe 25% for development, otherwise the counties would use it all up for development. He felt this was draining off money that was generally understood to have been for acquisition only.

Mr. Meder said they would have no objections. They were only looking for guidance on how the money should be distributed.

Senator Wilson said he felt the expenditure of the money to the regional areas should be justified before it is committed, even though it is a political subdivision.

Mr. Meder said the procedure that had been followed in the past with the land and water money was to ask the local government to submit a project; they are then reviewed and there are strict regulations to qualify for the federal money. He said the local entities try to make the most of their money by matching it with state money, then combining state and local money and matching it with federal so they get \$4 back for every \$1 they put up.

The options of distributing the money by district and the ability to have control of the state money so allocated was discussed.

Senator Gibson said he felt they should write into this reference to the cities within those counties - that of this amount no more than 25% may be used for development. He felt the thrust of the bond issue was to acquire suitable park property. He felt they should stipulate whatever the procedures are for the approval of the projects as they develop. He was afraid the way it was written, it was almost giving the counties a blank check. Senator Glaser said he would agree with Senator Gibson and he so moved.

The bicycle paths were discussed and Senator Glaser asked if this allocated money could be used in other ways, for bridle paths, e.g. Senator Gibson said the bond issue said for bicycle paths.

Mr. Meder said the money was allocated on an historical distribution of land and water. They did not use population, they chose districts rather than counties.

Mr. Winter said that he would like to bring out one other point, that is the number, in acreage, in park lands already. He listed the state parks in the Carson City area and land that was available within a 50-mile radius and much of it is underdeveloped land. He said that the people he knew of who voted for the bond issue, their main interest was developing parks. They felt this was important for people today and the way the people in this area felt was that there are plenty of state parks already available.

Senator Lamb said he felt there was no question in anybody's mind that the park system had to pull some of the ends together and get some of the parks put into use.

Mr. Capurro said he had looked at all the pieces of property and he described several of them but he said there was nothing like what was proposed in the Ghiglia property or even close to it. That piece of property, as large as it is and expensive as it will be will be probably the easiest piece of property of all to develop because of its natural area along the Carson River up against a state park which happens to be the most heavily used state park that the state has. It would compliment Lake Lahontan park more than any piece of property that he had seen.

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Mr. Capurro said that he had been all over the state and looked at a lot of different pieces of property and a lot of good ones but there is nothing that will provide the type of total recreation that this area would. He would think that the Ghiglia Ranch combined with Lahontan would probably have the potential of Lake Tahoe or any of the major state parks that are down south. Outside of the acquisition costs, the development costs of that piece of property would be quite minimal because of the way it is situated, flat ground along the river bed. He said there are not too many pieces of property in this state, much as they would like to have them, there are not that many available that can be looked to for state parks.

Senator Lamb said that he lost him completely. He said that he opposed Tule and there is not an easier park in the State of Nevada to develop, it's flat, it's got water and the state got it for free. Mr. Capurro wanted to go out and spend \$3. million to buy one when he was opposing the Tule Spring acquisition. It would benefit five times the people you'd ever see at Ghiglia. They want to go in there and make a duck hunting refuge out of it; he said he was not so sure that he was not selling it. (Mr. Capurro said he was not selling it.) Senator Lamb said he did not believe that he was familiar with all the parks.

Mr. Capurro said he was not opposed to Tule Springs, he was opposed to the way they were going about it....

Senator Lamb said he did not like it because someone went ahead and did something on their own. He said the Interim Finance Committee took the play away from them because they have no faith in the State Park Board. He said as long as he was able to stop them from buying another bundle of rocks, he would do it. He said they would not be able to develop Tule Springs fast enough for the people who would go there. He said they should try to get some BLM land and get it free.

Senator Echols asked Mr. Capurro about the flood problem at Ghiglia.

Mr. Capurro said he thought that would have to be studied a little, further down the road, but the way the land lays in there, he felt that problem could be solved. He said the major campsites should go back from the river and he did not see flooding as a major problem.

Senator Gibson asked if there were any more questions; there were none and Senator Lamb referred the Committee to S.B. 92.

S.B. 92: Increases certain fees charges and penalties assessed by the state board of cosmetology.

Mr. Walker said he was appearing for the State Board of Cosmetology. He said this bill would take off the fixed fees not only for the examination but also the annual fees. It gives the Board some flexibility to make adjustments as they have not had an increase in their fees since 1971. They have had the usual increases in costs, printing, salaries etc. For the years 1973-'74 they had a \$13,500 deficit; in 1974-'75, they were able to reduce that so they had only about \$4,500 or \$4,600 deficit. They did that by cutting expenditures which meant that they were providing very little service to the industry. They have five board members, an executive secretary and a private secretary and three inspectors.

These inspectors have the responsibility for inspecting all new shops and that is about all they can do is keep up with the new shop inspections; they have very little time to go around to the old shops. They would like to establish and administer a continuing education program for cosmetologists. New things are

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being developed, new products are being developed and people trained many years ago are being asked to apply new techniques and materials without any interim training. The average income to the Board, which is all fees, is up to about \$70,000; they need to increase those, he did not know what to project as he did not know what kind of increase the board would approve. But he felt they needed about \$90,000 to \$100,000 to do the kind of thing they want to do.

Senator Lamb said he felt it was a pretty open ended bill and that bothered him.

The flexibility in the suggested fees was discussed and Mr. Walker said he felt the members would keep the increases from getting out of hand. Some of the fee changes were corrective. Mr. Walker said they were not necessarily asking for increases at this time, they were asking for the authority to make the increases when they felt they were needed. The Committee noted that open ended fees were not generally the policy with regulatory boards. Mr. Walker said he would make a check on the boards for more information on the suggested fee range.

He returned and said the boards he checked for fees were about half and half. The Barbers and the Real Estate Board have fixed fees; the Psychologists, some are fixed and some are discretionary; Physical Therapists are discretionary with the Board; Pharmacists are discretionary; Hearing Aid Specialists are discretionary; he said he didn't get through all of them, but they seem to be both ways. The way it is handled on the Pharmacists, Hearing Aid Specialists, it says it shall be not more than a certain amount as fixed by the Board.

Senator Lamb thanked him for appearing and getting the information for the Committee.

Senator Lamb asked Mr. Costa to speak on A.B. 604. Senator Lamb noted that on line 13 of the bill "learning disabilities" was in the act already. He asked why they want to make it a little more pointed and put it in on line 17.

Mr. Costa said this was not a bill that they had introduced. It was originated by a private citizen in Las Vegas who is on the Board of Directors of a school in Las Vegas and they have classes in learning disabilities in that school. She was upset with the way the Clark County School District was handling the learning disabled child, that they were trying to mainstream the child, they were trying to put him in the regular classrooms instead of teaching him separately. She felt that by doing it this way, it would force the Department of Education to draw up standards that would force the Clark County School District to teach the children separately.

Mr. Costa said as far as they were concerned it would not cost any more money. He said at the present time they have units operating in Clark County, 113 of them right now. In accordance with the provisions of the federal law trying to get the handicapped youngster into the normal classroom as much time as possible, to better acclimate that child for living in society, is one of the goals of the federal act. It is also one of the goals of the Department's present standards. Their goals are flexible to permit the children to be educated wherever they get the best opportunity. Consequently the department does not feel that this is outside the realm of the present units that they have. He said they did not propose to change their standards at all. If the bill passes they will just re-label it.

Mr. Costa said they saw no fiscal impact, they questioned processing the bill and changing a law that they already have. Senator Glaser asked what the fine line of distinction was.

Mr. Costa said the visually handicapped had a seeing problem but all their other functions were normal. The learning disabled child is one who may have split vision, the hand-eye coordination problem, the ability to keep his balance or something like that. It is not related to one of those other areas.

Mr. Costa said that the "mainstreaming the child" which the lady was objecting to was simply the process where you put the handicapped child in the regular classroom part of the day, all of the day, whatever it is and the rest of the time you teach him in other environments and the lady felt the child should be taught separately all the time.

Senator Glaser felt that Mr. Costa's point was that they are already teaching them, whether it is one group or whether they are scattered through the program, it is not going to cost any more money.

Mr. Costa said Clark County could take all these kids they have and put them in classrooms with 10 or 12 in a class or any way they wanted to divide them up. But he said the people who work in the field of handicapped persons feel that the best way to teach them is with as much time as possible with a normal child.

Senator Gibson said he felt if anyone was dissatisfied with a district program, the thing to do was go to the district and not come to the legislature and get a law passed. Senator Lamb thanked Mr. Costa and said he was sorry to have had to call him back.

A.B. 334: Requires use of 10 percent of liquor tax proceeds for alcoholism and drug abuse treatment.

Senator Gibson moved the Committee hold the bill; Senator Young seconded and the motion carried with Senators Young, Gibson, Lamb and Wilson voting for it and Senator Echols dissenting.

A.B. 604: Provides for minimum program standards for learning disabilities.

Senator Young said he felt the bill had potential fiscal impact and for that reason he moved that the Committee hold the bill; Senator Gibson seconded and the motion carried.

S.B. 92: Increases certain fees charges and penalties assessed by state board of cosmetology.

Senator Young said he moved the Committee approve; he felt it was late in the session and if the Committee started amending, it would cause further delay. Senator Gibson seconded. Senator Young said if it was early in the session, he might suggest amending, but they had introduced this bill early in the session and he did not think it should be held up. Half of the Commissions did it and half didn't.

Senator Gibson said he was not averse to giving them the authority, the Legislature is not imposing it, the Board is doing it.

Senator Lamb called for a vote and the motion carried with Senators Young, Glaser, Gibson, Echols and Wilson voting for it and Senator Lamb dissenting.

A.C.R. 26: Allocates park bond proceeds. Senator Gibson said they had discussed amendments on this when Senator Lamb was out of the Committee room. The first one is that they would amend into each of those districts, where it so states, that the monies would be allocated to the counties and the cities within

those districts because the bond act is for the cities and counties. Then they wanted to restrict the construction part of this to no more than 25% of the amount allocated. They wanted to write in at an appropriate place that these allocations would be subject to the procedures of the Park Commission. In other words they would have to justify and have the approval of the Commission. They wanted to write in on line 14 that this money would be allocated by that new division the Committee created, the Archaeological and Historic preservation Division.

Senator Lamb said if they wanted a little more control on it, that the land be scrutinized by Interim Finance before they go ahead with it.

Senator Young said he would think that perhaps it should be subject to approval by the Historic Preservation Division. It probably would have to be if they are going to qualify for federal money anyway. Senator Lamb suggested that the Committee get the amendments and review them before taking any further action on the bill.

Senator Lamb said that a committee from Ways and Means wanted to talk with the Finance Committee about S.B. 173, the retirement bill.

Senator Lamb told the Committee that the problem is on the floor of the Senate because the Finance Committee had things in there that they would not buy. He said he didn't think that the Senate as a body would buy the bill with any additions other than what the Committee had put in it. He said that was why the Committee did what they did. They put more in it and brought it back and amended them out. He said he thought that was the only way it would ever pass the Senate.

Mr. Bremner said in their hearings on Tuesday they had quite a pitch and some questions arose on Section 11, which was probably a controversial section with the Senate Finance Committee. They had quite a pitch from Mr. Campos and the people in Parole and Probation on their remaining in the early retirement. He asked if any additional testimony was developed in Senate Finance or what the feeling of the Committee was. He said they had heard that the problem was on the floor of the Senate and they were asking what happened.

The Committee explained the reasons for their action and the problems that had arisen on the Senate floor. Information was exchanged between the two committees and it appeared that the Senate Committee had no new information to give them.

Senator Lamb stressed the urgency of getting the bill moving so that it would not be lost. He felt that getting the legislation was of primary importance. Things could be corrected in it at another session if they seemed that important.

Mr. Howard said that Mr. Campos presented a pretty good case that parole and probation was and is a dangerous occupation.

Mr. Kosinski discussed the philosophy behind early retirement, he felt that stress might be as important as danger relative to how well a man could handle stress between the ages of 55 and 60.

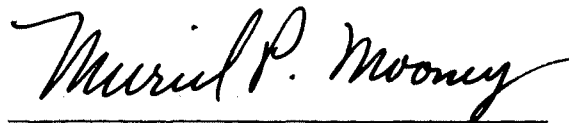
They discussed the reasons for creating another committee in the legislature to review the retirement system rather than assign that function to the Interim Finance or to the Legislative Commission.

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Closing of the records of the Retirement Board were discussed and finally the closed meetings with the investment counsel and legal counsel. The language of the bill was reviewed and the Assembly committee thanked them for the information.

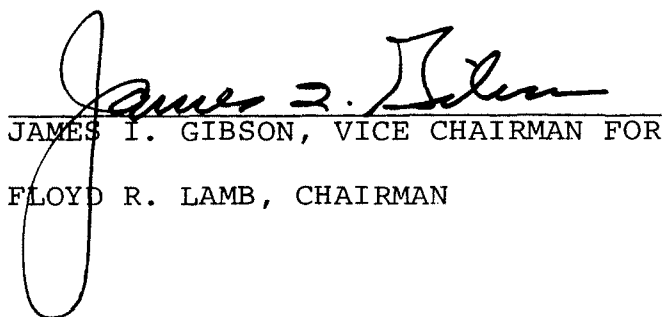
The meeting adjourned at 10:00 a.m.

RESPECTFULLY SUBMITTED:



MURIEL P. MOONEY, SECRETARY

APPROVED:



JAMES I. GIBSON, VICE CHAIRMAN FOR
FLOYD R. LAMB, CHAIRMAN