

MEMBERS PRESENT

Chairman Dini
Mr. Marvel
Mr. Fitzpatrick
Mrs. Westall
Mr. Harmon
Dr. Robinson
Mr. Craddock
Mr. Jeffrey
Mr. Getto
Mr. Bedrosian
Mr. Bergevin

GUESTS PRESENT

See Guest List attached

* * * *

Chairman Dini called the meeting to order at 8 A.M.

AB 341 - PROVIDES FOR OBSERVANCE OF VETERANS' DAY
ON A WEEKDAY EACH YEAR

SAM MAMET, representing Clark County

Mr. Mamet advised the Committee they requested the Bill because of the confusion it has caused; for some reason in the statutes Veterans' Day was dropped out as one of the holidays and if it falls on a Saturday or a Sunday that it is observed on the following Monday or the previous Friday which happened this past Veterans' Day.

BOB GAGNIER, Executive Dir., SNEA

Mr. Gagnier advised the Committee if the law is not enacted they will lose another holiday this year as they did last year. He advised at this time Nevada has less than the national average number of holidays which is eleven; Nevada has nine.

MITCH BRUST, State Personnel Division

Mr. Brust advised the Committee they are also in favor of AB 341 because it is consistent with the treatment of other holidays that fall on Saturday and Sunday, and it is equal treatment of all employees and all employees will receive nine holidays each year.

AB 772 - REVISES NOTICE REQUIREMENT FOR VACATION
OF ABANDONMENT OF STREETS OR EASEMENTS

GIL BUCK, Nevada Assn. of Realtors

Mr. Buck advised they were in support of the proposed legislation and the same was long over due.

PETE KELLY, Nevada State Press Assn.

Mr. Kelly advised they would be in support of the measure because it would give more general information.

MARVIN LEAVITT, City of Las Vegas

Mr. Leavitt stated they were in support of the Bill.

STAN WARREN, Nevada Bell*

Mr. Warren stated they were in support of the Bill. He suggested, however, if there is any desire at all to amend the Bill they would like to suggest having inserted on line 22, after the word "over", "across, upon, in, through, or under".

AB 773 - PROVIDES OPTIONAL PLAN FOR DEFERRAL OF
CERTAIN SPECIAL ASSESSMENTS AGAINST
HOME OF CERTAIN SENIOR CITIZENS

HENRY ETCHEMENDY, City Mgr., City of Reno

Mr. Etchemendy advised the Bill was drafted at the request of the City of Reno. He stated they felt something should be done which would allow street improvements to be accomplished without senior citizens being impacted with payment of the assessments.

BARNEY LUHAN, Special Assessment Supervisor,
Engineering Dept.

Mr. Luhan advised the Committee he deals on a daily basis with senior citizens who cannot afford to pay for the improvements even though the improvements are needed. He stated in a special improvement district no consideration of a special nature is given to the elderly because it's felt the improvements improve the value of the property and are not assessed against the individuals but against the property itself. He advised they have deterred from doing some particular projects because of the position they would be putting some of the senior citizens in. He stated this Bill would provide these people an opportunity to still have the improvements made without being forced to sell their property or giving them additional difficulties in paying

* See Exhibit

for the improvements.

SB 315 - ALLOCATES INTEREST EARNED ON FUNDS ADMINISTERED
BY DIVISION OF COLORADO RIVER RESOURCES OF
DEPARTMENT OF ENERGY TO THOSE FUNDS

DUANE SUDWEEKS, Admin., Division of Colorado River
Resources

JIM LONG, Financial Manager

Mr. Sudweeks stated the purpose of the Bill is to require that the funds administered by the Division share equitably in the income earned from the investment of State money. He advised the Committee the Division presently administers six different funds which are a part of the State's accounting system. The fund cash balances at year end are carried forward to the subsequent fiscal year. These cash balances are part of the money in the State Treasury that the Treasurer has available for investment. He stated they feel that the benefits of investing this money should accrue to the respective funds because all revenues deposited to Division funds are derived from sales of power, water, or land rather than appropriations from the General Fund. Mr. Sudweeks read his testimony from a prepared text, a copy of which is attached hereto and made a part hereof.

Chairman Dini asked the total budget and Mr. Long responded for the next biennium it was about \$408,000.

NORM OGATA, Commissioner, Credit Union for the State

He stated he had an amendment to attach to SB 315 referenced to 356.005. He advised the Committee when the Credit Union statute was approved by the Legislature there was a section which gave Credit Unions power to act as fiscal agents for public agencies. However, he said, the enactment of this one section was not comprehensive enough as it did not address 356 which designates public depositories of funds. He stated the Credit Unions have approached him on the question of accepting public funds; it will allow for additional competition; it will provide a situation where the public agencies can benefit through improved interest rates on their funds, yields, etc. He stated he was also proposing an inclusion of time certificates of deposits placed at Credit Unions.

SB 396 - REMOVES SHERIFF FROM LICENSE BOARD AND LIQUOR BOARD IN CERTAIN COUNTIES AND AUTHORIZES THOSE COUNTIES TO ESTABLISH COUNTY LICENSES

JOHN MCCARTHY, Sheriff, Clark County

He advised the Committee he was concerned because it appears there are some games being played with the original intent of SB 396. He stated he felt Metro was being used for whatever advantages that the city or county can take.

Chairman Dini asked Sheriff McCarthy if he would describe the Bill and how it differs from existing law.

Sheriff McCarthy explained the existing law has to do with the Sheriff's position on the Clark County Liquor and Gaming Board. He stated this Bill would remove the Sheriff from that Board and merge the Liquor and Gaming Board into one unit. He stated he had no objection to that and, in exchange for that, under the historical concept of the office of Sheriff, this Bill makes a provision that the counties in excess of 250,000 population would have the Sheriff removed, and the Sheriff would be responsible for privilege license and investigations at the direction of the Liquor and Gaming Board.

Chairman Dini asked Sheriff McCarthy if he collects the licenses in Clark County or if there were separate licensing; Sheriff McCarthy responded the Sheriff is the ex-officio tax collector for certain business licenses in Clark County, and this Bill would allow the county to establish a general business license section where all license fees would be paid.

MANNY CORTEZ, Clark County Commissioner

Mr. Cortez advised the Committee the Bill is a joint one between the Sheriff's Department and the Board of County Commissioners, and was introduced on the Senate side. He stated the Bill basically does three things: it removes the Sheriff as a member of the Liquor and Gaming Licensing Board; it allows the county, by ordinance to merge the two Boards into one Board; and allows for the adoption of regulations as part of the Gaming Board by a majority vote. The Bill makes two-thirds a majority and allows the county to create a county licensed department and name a County License Collector; who will be responsible for the collection

and disposition of county license fees in all general business license activities within the county. The investigation itself for privileged licenses for liquor and gaming would be handled by the Metropolitan Police Dept. or by the Sheriff's Dept.

Chairman Dini asked Mr. Cortez why, on page 3, line 38, was two-thirds bracketed out and "new regulations shall be adopted after a public hearing". Mr. Cortez responded public hearings are mandated by statute and they can't adopt any regulations without first having a public hearing, posting it, and then a public hearing. He advised if it was done it was through inadvertence. Chairman Dini commented they wouldn't want to leave a clud that they could adopt a regulation without a public hearing in that area.

Mr. Cortez then deferred testimony to a Deputy District Attorney from Clark County who elaborated on the Bill in regard to changes made in the so-called privilege categories.

The Committee members then put questions to the Deputy District Attorney concerning escort license fees, porno movies, pool halls, etc.

Chairman Dini asked what the fiscal impact to Clark County would be to set up the new licensing department. Sheriff McCarthy responded the cost of the business licenses and privilege licenses are cost effective to the extent that the applicant pays all costs; they pay for the investigation so there is no fiscal impact. He stated the impact would be the hiring of a Director for the department.

Mrs. Westall questioned if the applicant has to pay the costs of the investigation is it by law or regulation; Mr. Cortez responded the ordinance calls for the applicant on privilege license to pay the cost of the investigation.

RONALD JACK, City Manager, City of Las Vegas

Mr. Jack requested amending the Bill by adding a new section, section 6, which changes the Metropolitan Police Funding Formula and that the title also be amended. Mr. Jack distributed a copy of the statute pertaining to the funding formula and a copy of a Funding Formula to show the impact of service demand in the unincorporated portion of the county and the City of Las Vegas. Mr. Jack read his testimony from a prepared text, a copy of which is attached hereto and made a part hereof. Mr. Jack concluded by stating they propose using the 5-point funding criteria provided in current law for Metropolitan Police Depts.; that the city be required to pay 44% of expenses

and the county pay 56 percent.

The Committee members then put questions to Mr. Jack concerning the weighing, hotels on the strip that have their own security, and population.

Mr. Jeffrey asked how they arrived at the geographic figures and the response was that they took the total Las Vegas Valley and subtracted all the unincorporated square miles and compared that with the total for the city; Henderson, Boulder City, and North Las Vegas having their own police force.

Mr. Craddock commented he has been concerned with the time spent by the county and city haggling money matters rather than concerning themselves with providing services, and he was receptive to the idea of the two getting together to come up with a formula that the Legislature can enact that will enable the two entities to cooperate in the financial matters.

Dr. Robinson asked if there was any appetite within the city government to repeal the Metro Act and go back to separate ways. The response was at the time a Court suit is pending but the suit is not active because the city has not filed its last complaint so that the Judge can schedule a hearing.

Dr. Robinson commented it was his thinking to simplify the job of the Legislature would be to repeal the whole thing.

ASSEMBLYMAN LLOYD MANN

Mr. Mann stated philisophically he supports the 44-56 formula because he thinks they are getting doubly taxed. He suggested getting another Bill might be a better approach. He stated he didn't want to jeopardize the Agreement on spending caps over a squabble between the city and county regarding the Metro police. He stated by going with the adjustment on the spending caps on the budget the initial problem can be solved and maybe an interim study can be proposed.

Chairman Dini addressed a question to all the county representatives as to whether they thought 56-44 was an equitable formula, and the response was a collective "no".

Chairman Dini inquired whether they would support a separate Bill, and Mr. Cortez responded they indicated to the city if they come out with another Bill to rewrite the formula, they would be glad to take a look at it and if they can support it they would be glad to do so.

Chairman Dini asked about a separate Bill to abolish Metro. Mr. Cortez responded the city has already gone on record saying they want to abolish Metro, but the Metro hierarchy says Metro police is working and would cost more to dissolve it than to go back where they were.

Mr. Craddock commented the question he wanted to ask was if they were willing to sit down and work with the City, to work out a formula, to avoid all the haggling over the financing and get down to providing service for the people.

Mr. Broadbent commented they went through a funding formula last session and a Bill AB 17.

Mr. Craddock commented he would like to see the city and county get together and if they needed a mediator, perhaps the Chairman could come up with one. Mr. Broadbent stated they would have to see what the tax package is going to look like and they would be willing to sit down and talk.

Dr. Robinson commented he would like to get back to the merits of 396 per se and forget about the amendments or anything else. He asked the county to tell him why the Sheriff should be off the Liquor and Gaming Board. Sheriff McCarthy stated he didn't think a person should sit on a Board in judgment of licenses that he is going to investigate.

A general discussion kept ensuing between Committee members and county representatives concerning the formula, budget, police services, etc.

Mr. Jack rebutted a few of the remarks made by the county representatives.

Testimony was then concluded on the Bill.

Chairman Dini asked if anyone had any ideas on what they'd like to do with SB 396. Mr. Harmon moved DO PASS without amendments, seconded by Mrs. Westall. Chairman Dini explained there was a conflict amendment that had to be taken care of. Chairman Dini called for discussion. Mrs. Westall commented she thought the Bill ought to fly as is. Mr. Jeffrey stated he was in agreement with the original Bill as he felt the Sheriff should be off the Board. Mr. Fitzpatrick suggested an interim study should be had to look into the situation to get something agreeable to both sides.

Mr. Getto commented he could support the Bill if the two entities get together and try to work out the issue and hold the Bill.

Dr. Robinson commented he would like to have the time to have the two entities work on the issue two or three days, over the weekend, and to take action on the Bill this quick would remove the incentive for them to take that action. He stated if the Bill were passed out right now that any action as far as reallocation of expenses or transfer of caps being spoken about would die.

Mr. Jeffrey commented he didn't think this Bill was the proper vehicle for the amendment.

Dr. Robinson moved to defer action on SB 396 to a time certain on Monday, April 30th, 10 A.M.; seconded by Mr. Harmon, which was an amendment to the main motion.

Mr. Harmon moved to amend the motion to INDEFINITELY POSTPONE AB 396; seconded by Mrs. Westall; and Chairman Dini called for a roll call:

Fitzpatrick	No
Marvel	No
Westall	Yes
Harmon	Yes
Chairman Dini	Yes
Dr. Robinson	Yes
Mr. Craddock	Yes
Mr. Jeffrey	Yes
Mr. Getto	Yes
Mr. Bedrosian	Yes
Mr. Bergevin	Yes

Chairman Dini commented the main motion was to Indefinitely postpone SB 396; the vote was nine in favor and two opposed; the Bill is dead.

COMMITTEE ACTION:

AB 341 - Mr. Marvel moved DO PASS; seconded by Mr. Fitzpatrick, and unanimously carried.

AB 772 - Mr. Getto moved DO PASS; seconded by Mr. Marvel, and unanimously carried.

AB 773 - Mr. Getto moved AMEND and DO PASS; seconded by Mr. Craddock, and unanimously carried.

Chairman Dini stated SB 315 would be held for action pending additional information.

There being no further business to come before the meeting, the same was adjourned.

Respectfully submitted,

Sandra Shatzman
Assembly Attache

AMENDMENT TO NEVADA ASSEMBLY BILL NO. 772

AMENDMENT NO. 1

On Page 1, line 22, of the bill as introduced in the Assembly, after "over", insert", across, upon, in, through or under"

DEPARTMENT OF ENERGY
DIVISION OF COLORADO RIVER RESOURCES

Testimony Regarding Senate Bill No. 315 -
Assembly Committee on Government Affairs

April 27, 1979

Mr. Chairman and Committee members, for the record I am Duane Sudweeks, Administrator of the Division of Colorado River Resources. Joining me is Jim Long, the Division's Financial Manager. We are here to offer testimony in support of Senate Bill 315.

The purpose of Senate Bill 315 is to require that the funds administered by the Division of Colorado River Resources share equitably in the income earned from the investment of State money. The Division presently administers six different funds which are a part of the State's accounting system. Fund cash balances at year end are carried forward to the subsequent fiscal year. These cash balances are part of the money in the State Treasury that the State Treasurer has available for investment. We feel that the benefits of investing this money should accrue to the respective funds because all revenues deposited to Division funds are derived from sales of power, water or land rather than appropriations from the General Fund. Since Division power, water and land contractors are supplying the revenues, they should realize the benefits of any investment income.

There is precedent for this philosophy. NRS 356.087 presently provides that several other funds are entitled to a share of investment income.

Estimated future fiscal effects of Senate Bill 315 on the General Fund are relatively minor, but are significant to the Division. We estimate that for fiscal years 1979-80 and 1980-81, General Fund investment income would decrease approximately \$22,750 and \$22,960, respectively, with concurrent amounts accruing to the six funds administered by the Division. This could represent the difference between having to increase the administrative charge to Division contractors during the 1981-83 biennium or being able to defer increases to a later date.

The State Treasurer informs us he approves Senate Bill 315 in principal, subject to our respective offices agreeing to an equitable, easily-administered procedure for implementing the provisions of the bill.

I appreciate the opportunity to present our position today in support of Senate Bill 315. If you have questions, Mr. Long and I would be pleased to answer them.

each special meeting to each member of the police commission at least 1 day before the meeting or by mailing the notice to each member's place of residence in the county.

3. The notice shall specify the time, place and purpose of the meeting. If all of the members of the police commission are present at a special meeting, lack of notice shall not invalidate the proceedings.

(Added to NRS by 1973, 917)

DEPARTMENT FINANCES

280.190 Budget, funding apportionment plan: Preparation; approval. The police commission shall:

1. Cause to be prepared and approve an annual operating budget for the department.

2. Submit such budget to the governing bodies of the participating political subdivisions prior to February 1 for funding for the following fiscal year.

3. If there is more than one participating city, cause to be prepared the funding apportionment plan provided for in NRS 280.201 and submit such plan to the governing bodies of the participating political subdivisions and the department of taxation for approval. The Nevada tax commission has the final right of approval for such plan and shall act as an arbitrator if the local governing bodies cannot agree on the funding apportionment.

4. If there is more than one participating city, cause a new funding apportionment plan to be prepared:

(a) Every 10 years upon ascertaining the results of the national decennial census taken by the Bureau of the Census of the United States Department of Commerce;

(b) If the law enforcement agencies of additional cities are merged into an existing department; and

(c) At intervals of not less than 4 years upon request by a majority vote of each of a majority of the governing bodies of the participating political subdivisions. If only one city is participating in a department, the police commission shall prepare a new plan under the provisions of this paragraph only upon request by a majority vote of each of the governing bodies of the participating political subdivisions.

(Added to NRS by 1973, 917; A 1975, 1283, 1682; 1977, 365)

280.201 Plan for apportionment of expense.

1. In those counties which have:

(a) Only one participating city, the county and the city shall pay equal shares of the total capital and operating costs of the department.

(b) More than one participating city, the governing bodies of the various participating political subdivisions shall, in determining the amounts of their respective budget items allocated to law enforcement, apportion among all the participating political subdivisions the total anticipated capital and operating costs of the department, as submitted by the police commission, on the basis of a formula which has been approved by the Nevada tax commission.

(1977)

0150

2. This formula shall take into account all meaningful factors which will produce an equitable distribution of costs among the participating political subdivisions, including but not limited to, comparative:

(a) Population statistics.

(b) Geographic extent of the participating incorporated and unincorporated areas.

(c) Transient population of each of the participating political subdivisions. The number of available hotel and motel rooms in each political subdivision may be considered in determining transient populations.

(d) Historical crime statistics.

(e) Law enforcement requirements of the respective participating political subdivisions.

For the purpose of this subsection, the population, area and facilities attributable to a county do not include the population, areas or facilities of the cities within such county.

(Added to NRS by 1977, 363)

280.210 Basis of cost allocation for initial operation period. The cost of operation of a department for any period prior to the first full fiscal year after merger shall be allocated on the basis of the final budgets submitted by the participating political subdivisions for the fiscal year in which the merger occurs.

(Added to NRS by 1973, 918)

280.220 Metropolitan police department fund: Creation; use. Upon merger, the county auditor or county comptroller of a county which has a department shall:

1. Create a metropolitan police department fund in the county treasury for the exclusive use of the department.

2. Receive all money from the county, participating cities and any other source on behalf of the department and deposit the money in the department fund.

3. Receive all money collected by the department for any purpose, except criminal and civil fines, and deposit the money in the department fund.

4. Issue warrants against the department fund in the manner provided in this chapter.

(Added to NRS by 1973, 918; A 1977, 366)

280.230 Examination and audit of accounts. The police commission may examine and audit the accounts of all officers having the care, management, collection or disbursement of any money belonging to the department or appropriated by law or otherwise, for its use and benefit.

(Added to NRS by 1973, 918)

280.240 Allowance of accounts. The police commission shall examine, settle and allow all accounts legally chargeable against the department.

(Added to NRS by 1973, 918)

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EXHIBIT

4-27-79

METROPOLITAN POLICE DEPARTMENT FUNDING FORMULA

	<u>City</u>	<u>Unincorporated County</u>
Calls for Service (Law Enforcement Requirements)	53.8%	46.2%
Part I Offenses (Historical Crime Statistics)	48.5%	51.5%
Population	47.6%	52.4%
Hotel-Motel Rooms (Transient Population)	24.8%	75.2%
Geographic Area	<u>5.5%</u>	<u>94.5%</u>
Non-weighted Total	180.2	319.8
Non-weighted %	36.1%	63.9%
Weighted Total	660.9	893.2
Weighted %	43.7%	56.3%

The dynamics in the Las Vegas Valley have changed significantly since the Legislature formed the Metropolitan Police Department six years ago. At that time, the City of Las Vegas did have a larger population than the unincorporated areas of Clark County and it was argued that because of the larger population, the city should pay a greater portion of the costs of Metro than the county.

But that is not the case today. While the population of the city has continued to grow steadily, growth in the unincorporated county has been explosive (for the obvious reason that the city does not have as much undeveloped land that can be subdivided and developed.)

By way of example, conservative estimates indicate a population increase between 1975 and 1980 of 47 percent in the unincorporated county, compared to a 14 percent increase in the city. Also, between 1975 and the end of 1978, the county gained an additional 5,692 hotel-motel units while the city's gain was 1,768.

This tremendous increase in residential population coupled with the construction of many more hotel and motel rooms in the unincorporated county has increased the need for police services in that area.

When the Legislature created the Metropolitan Police Department in 1973, the city had already filed a budget of \$8,861,865 for its police department and the county had filed a budget of \$6,887,375 for the sheriff's department. These figures were totalled to determine the budget for the merged department and each entity's percentage of that total was used to establish the initial ratio required to be appropriated by each government in support of Metro.

After the first year's operation of Metro, the State Tax Commission (Department of Taxation) adjusted the ratio and required the city to pay 52.5 percent and the county to pay 47.5 percent.

That division of the Metro expenses remained in effect until 1977 when the Legislature amended the Metropolitan Police Law to require the city and county to pay equally for the costs of the department.

Because of the changes that have occurred in the city and county over the past few years, we believe that the division of police expenses between the city and county should be readjusted.

What we're asking for this morning is fairness and equity for the taxpayers of the City of Las Vegas.

Some have questioned why we waited until near the end of the session to make this request.

We must respond by saying that we have been working on this proposal since last year and that we were ready at the beginning of the session to suggest a change in the Metro funding formula.

However, as most of you are aware, early in the session the city and county entered into a series of negotiating sessions in which administrative staff from both governments met and drafted proposals on several major issues confronting the two entities and then relayed these proposals to the elected officials from both governments for discussion.

The major outcome of these negotiating sessions was the ill-fated proposal to return the casino entertainment tax to all cities

and counties to be used for police protection, regional transportation and air and water quality programs. That proposal was to be the foundation of further agreements between the city and county on dividing up the costs of the Metropolitan Police Department.

You are all aware, of course, that the entertainment tax proposal did not meet with the favor of the Assembly Taxation Committee which voted to give it "no further consideration."

With that foundation for agreement between the city and county gone, the elected officials met again to try to work out an understanding. They were unable, however, to reach a concensus.

It was at that time that the Las Vegas City Commissioners decided they had to take action on their own to try to correct the inequities being placed on city taxpayers. They could wait no longer.

And that brings us to the proposal we are making today.

Using the five-point funding criteria provided in current law for Metropolitan Police Departments, we are proposing that the city be required to pay 44 percent of expenses and that the county pay 56 percent. (It should be noted that this funding criteria applied to Clark County-Las Vegas until 1975 when the law was amended to make it apply only to Metropolitan Police Departments where more than one city is a participant.) Explanation of formula follows: