

Committee in session at 7:30 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 (absent for part of voting)
Senator Lawrence E. Jacobsen
Senator Clifford E. McCorkle

ABSENT: None

OTHERS Ronald W. Sparks, Chief Fiscal Analyst
Eugene Pieretti, Deputy Fiscal Analyst
Howard Barrett, Budget Director
John Tom Ross, UNR Regent
Donald Baepler, Ph.D., Chancellor, UNR System
Brock Dixon, Acting President, UNLV
Bruno Menicucci, Mayor of Reno
Jud Allen, Reno-Sparks Chamber of Commerce
Jack Petitti, Clark County Commissioner
Wm. W. Morris, supporter of UNLV Marching Band
Joe Crowley, Ph.D., President, UNR
Ted Sanders, Superintendent of Public Instruction
Don Hataway, Carson City Manager
Roland Westergard, Director, Conservation & Natural Resources
Assemblyman Dean Rhoades
Andy Grose, Director, Research Division, LCB
Jac Shaw, Administrator, Div. of State Lands
Lowell Smith, State Forester, Div. of Forestry
William Newman, State Engineer, Div. of Water Resources
Richard Traychaulk
Dave Sewell
John D. Winters, rancher
Bruce Scott, water rights surveyor and consulting engineer
Dr. Wayne Pearson
John Rice, Associated Press
Lee Adler, Reno Newspapers
Ed Vogel, Las Vegas Review Journal
Cy Ryan, United Press

SB 243 Adds two judges to second judicial district.

Senator Gibson moved to adopt the amendment.

Seconded by Senator Echols.

Motion carried.

Senator Wilson absent.

Senator Gibson moved "Do Pass as Amended" SB 243.

Seconded by Senator Jacobsen.

Motion carried.

Senator Wilson absent.

BDR

Senator Gibson moved to introduce a bill repealing certain provisions to warrants issued for violation of written promise to appear in court.

Seconded by Senator Jacobsen.

Motion carried.

Senator Wilson absent.

2361

AB 63 Imposes additional state tax on slot machines
contingent upon expiration of federal tax on
slot machines.

The following people all appeared in support of this bill: John Tom Ross, UNR Regent, Dr. Donald Baepler, Chancellor, UNR System, Brock Dixon, Acting President, UNLV, Jack Petitti, Clark County Commissioner, Bruno Menicucci, Mayor of Reno, Dr. Joseph Lipkey, Jud Adams, Dr. Wayne Pearson, Richard Traychaulk, and representatives from Western Nevada Supplies.

Dr. Baepler stated that AB 612 of the 1977 legislative session authorized campus special events centers at UNR and UNLV. The bill was passed by both Assembly and Senate; but the Senate did not specifically authorize the two projects. Some members felt it might jeopardize chances of Congress approving the additional slot machine tax rebate. The bill also made the funding specifically contingent upon congressional increase of the federal tax on slot machines from eighty percent to ninety-five percent. The Senate version of AB 612 was adopted in Conference Committee. After passage of the bill, the two money committees sent letters to the Board of Regents and other appropriate officials informing them the clear intent of AB 612 was that special events centers should be built from these funds. In the Fall of 1978, Congress passed legislation that provided that the amount of federal slot machine tax rebated to the State of Nevada shall be increased to 95 percent for 1978-79, and 1979-80, and the tax shall be repealed entirely, effective July 1, 1980. This leaves the entire amount available to the State. On February 18, 1977, the Board of Regents agreed to provide the necessary land consistent with the campus master plan for these facilities.

Since congressional passage of the legislation, the Board of Regents has selected primary and secondary architects for the two projects. During the current session of the legislature, thirty-two Assemblymen co-sponsored AB 63, which established a State annual tax of \$250 per licensed slot machine. Such tax is to become effective upon the effective date of the repeal of the federal tax, and in the same amount of dollars. AB 63, as amended also sets the formula for the division of the proceeds between the university and the State Distributive School Fund. It specifically authorized the bonding for the financing of these two special events centers in Reno and Las Vegas. This bill was passed unanimously by the Assembly on a 40-0 vote. Today they are seeking approval of AB 63 by the Senate Finance Committee. Dr. Baepler stated that, with the passage of this bill, they would not have to appear before the Finance Committee every other biennium or so to present these formulas.

Jack Petitti, Clark County Commissioner, chairman, Las Vegas Convention Authority, testified in favor of AB 63. He stated the need for the revenue which will be derived in this legislation. He said this legislation is very important because it authorizes the construction of a very badly-needed project in Las Vegas. The facility will be of great benefit to the Las Vegas Convention authority and the economy of Clark County for a number of reasons. On an average, UNLV plays about 18 games in the convention center. Mr. Petitti said that convention business is very competitive between and among cities around the country, and they need the center for conventions (see Attachment A).

William Morris, UNLV booster, also testified to the need for AB 63. (See Attachment B.)

Senator Wilson said he was sure a gas shortage affected corporate profits, but is there necessarily a correlation between shortage and a decrease in the gross gaming tax. He said we have gone through gas shortages before, and was sure profits reduced because it costs more money to stay in business. He wanted to know if there is an automatic correlation between a gas shortage and any kind of

reduction in gross. Mr. Morris said the most current evaluation as far as the Holiday Casino is concerned, is that March and April are usually the same with regard to comparable occupancy and cash flow. This April was poor due to the gas shortage, internal revenue and Easter, all coinciding. The casino's gross was off four percent; their slots were off about 1 and 1/2 percent.

Dr. Joseph Crowley, President, University of Reno, stated that the worst problem they had experienced was two seasons ago when they had to play half of the home schedules in the old gymnasium which seats 2,700. That resulted in a very critical loss of revenue, and also inconvenience to the fans.

Jud Allen, president of the Reno-Sparks Chamber of Commerce, spoke in favor of AB 63.

Ted Sanders, Superintendent of Public Instruction, stated the effect of this bill would directly affect the Distributive School Fund until the proceeds reach \$20,000,000. If the total revenues in the Distributive School Fund were not reached, they could come back to the Interim Finance Committee.

Senator Gibson stated that Congress is considering doing away with the State share of revenue sharing. In Nevada, all that goes into the Distributive School Fund. That is \$6 million a year.

Dr. Baepler indicated that the State Public Works Board will be handling these projects. The total cost at the Las Vegas campus will not exceed \$30 million; the cost at the Reno campus not to exceed \$26 million.

SB 408 Revises act relating to Marlette Lake water system.

Don Hataway, City Manager of Carson City, and David Small, Carson City District Attorney testified regarding this bill (see Attachment C).

Senator Wilson asked, with respect to each of the phases, if they had developed the engineering studies to determine the amount of water capacity that the improvements are going to yield; whether or not the water can be sold coupled with whatever the connection costs are.

Mr. Hataway stated that, if you take into consideration what is going on today, the day of cheap energy is over. Their studies indicate today that it is economically feasible for them to do this system.

Roland Westergard, Director, Department of Conservation and Natural Resources, said he has not received the answer to that question (Senator Wilson's) either from the city consultant.

Senator Wilson remarked that if the Department of Water Resources has not received answers, surely the city has not either.

Mr. Hataway responded that the best information he has at this time is an economically feasible package.

Senator Jacobsen commented that he had asked Bill Hancock several weeks ago for the development figures as to what the usage would be for the capitol complex. Mr. Hancock said that, according to their calculations, they use about 480 feet per year now. If they connect everything and build everything they envision, they would be somewhere around 1,048 feet per year.

Senator Wilson told Mr. Hataway that because of the obligation they are going to put on the taxpayers and the State, for reliance upon the contract with them for guaranteed service at a reasonable rate, he wanted to see the engineering report and the conclusions expressed in it with respect to these questions.

Mr. Hataway responded that, based on the information they have now,

it is a feasible project, and they wouldn't be requesting the Finance Committee to pass the bill if they didn't feel it was. Mr. Hataway stated the Marlette Hobart System has been thoroughly studied as far as the economic feasibility. The Department of Water Resources has been involved in the process from the very beginning.

SB 240 Provides for control of certain public lands by the State of Nevada.

Senator Wilson stated the purpose of the bill is not so much to create a basic land planning document, as it is to provide an adequate premise for a law suit. To test the question of title of certain lands which is contended rightfully belong to the State.

The amendments to this bill are designed to accomplish that objective (a suitable predicate for a law suit). There were some substantial changes. Instead of appointing or electing a commission from around the State to become involved in a land planning process, it simply vests jurisdiction in the registrar of lands for administration, pending the filing of a law suit.

H. R. Conrad, a private citizen from Fallon, spoke on behalf of Senate Bill 240.

AB 413 Provides for control of certain public lands by the State of Nevada.

Assemblyman Dean Rhoades testified he agreed with all of the amendments on this bill; and he urges the Committee's acceptance of the amendments.

Andy Grose, Research Director, Legislative Counsel Bureau, reviewed all of the amendments with the Committee. (See Exhibit)

SB 357 Makes appropriation to division of forestry of state department of conservation and natural resources to provide aid in management of Marlette-Hobart watershed, and reserves related water rights.

Lowell Smith, State Forester, spoke for this bill. (See Attachment d.)

John D. Winters, rancher, stated he had no opposition to the first section of the bill except that they are trying to eliminate grazing in the area. Mr. Winters read a statement (see Attachment e) from James W. Johnson, Jr.

William J. Newman, State Engineer, Division of Water Resources, stated he had no problem with the items or the issues Mr. Winters brought up in the statement he read.

Senator Wilson asked if the waters were presently outstanding in those watersheds listed in paragraph four that have not been appropriated that may be subject to applications for appropriation.

Mr. Winters requested that the Committee ask Mr. Newman to explain the procedure and what they take into consideration on making an application. He believes the State is solemn in their word. They don't have to go through any procedure like this. The State is protected by the State Engineer's taking into consideration what the State might use out of Marlette water now, and in the future. Under the present laws, the State is adequately protected.

Senator McCorkle asked if there were any unappropriated water rights today, or have there been any appropriated since 1963. Mr. Winters replied no; the precedent that this bill sets is one of the main reasons why he is opposed to it. This bill allows, by precedent, the State legislature to pick any watershed within the State and do the same thing.

Bruce Scott, water rights surveyor and consulting engineer, said

that he worked with Mr. Newman for four years in the Division of Water Resources. He has been a consulting engineer for the last six years. Mr. Scott feels that the expertise regarding appropriation of water belongs in the Division of Water Resources. He feels the legislature needs to provide direction to the State; but he is concerned that this puts a single application in the area of the legislative arena. Mr. Scott strongly supports the remainder of the bill with regard to implementation.

SJR 24 Memorializes Congress to repeal legislation requiring reduction of social security benefits to spouses or surviving spouses by amount received as pension from certain public retirement systems.

Senator Gibson moved "Do Pass" SJR 24.

Seconded by Senator McCorkle.

Motion carried unanimously.

AB 738 Permits full service credit for part-time employment of certain public employees who are eligible to retire.

Senator Gibson moved "Do Pass" AB 738.

Seconded by Senator Jacobsen.

Senator Lamb voted no.

Motion carried.

AB 731 Provides for optional program of additional retirement contributions.

Senator McCorkle moved to indefinitely postpone AB 731.

Seconded by Senator Glaser.

Motion carried unanimously.

AB 473 Retains parole and probation officers in definition of "police officer".

Senator McCorkle moved to indefinitely postpone AB 473.

Seconded by Senator Jacobsen.

Senators Wilson and Echols voted no.

Motion carried.

AB 474 Makes fiscal changes to the Public Employees' Retirement Act.

Discussion only on this date. This bill to be held and AB 475 to be passed first.

AB 475 Makes administrative changes in Public Employees' Retirement Act, and legislators' retirement system.

Senator Gibson moved to approve the amendments to the bill.

Seconded by Senator Jacobsen.

Motion carried unanimously.

(AB 475 - bill action continued)

Senator Glaser moved to approve and
"Do Pass as Amended" AB 475.

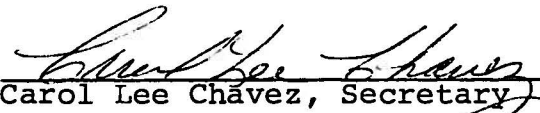
Seconded by Senator Echols.

Motion carried unanimously.

Meeting adjourned at 10:45 a.m.

Meeting to reconvene Monday, May 7, at 7:30 a.m. and again at
6:00 p.m.

Respectfully submitted,


Carol Lee Chavez, Secretary

APPROVED:


Floyd R. Lamb, Chairman

A G E N D A

Senate Committee on Finance

Date Thursday, May 3, 1979

Time 7:30 a.m. Room 231

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Counsel Requested*</u>
S.B. 408 ✓	Revises act relating to Marlette Lake water system.	
S.B. 357 ✓	Makes appropriation to division of forestry of state department of conservation and natural resources to provide aid in management of Marlette-Hobart watershed, and reserves related water rights.	
S.B. 240 ✓	Provides for control of certain public lands by State of Nevada.	
A.B. 413 ✓	Provides for control of certain public lands by State of Nevada.	
A.B. 63 ✓	Imposes additional state tax on slot machines contingent upon expiration of federal tax on slot machines.	
A.B. 744	Authorizes immediate appointment of two additional deputy attorneys general for gaming.	
A.B. 451	Creates Commission on the Future of Nevada.	
A.B. 520	Corrects error in law concerning renewal of real estate license fees and provides credit or refund for excess payments.	

NIC Budgets

*Please do not ask for Counsel unless necessary.

SENATE

COMMITTEE

GUEST LISTDATE: May 3, 1979

NAME	AGENCY OR ORGANIZATION
JACK G. WARNER	Carson City Bd. of Supervisors
ROBERT BROGAN	Carson City Bd. of Supervisors
LARRY WERNER	Carson City
Don Hataway	Carson City
W. E. Hancock	SPWB
LADY SMITH	NEV. DIV. OF FORESTRY
ROY TRENOWITH	" " " "
William J. Newman	Division of Water Resources
Ronald D. Westergaard	Dept. Eng. & Nat. Resources
Jack Dieringer	DEPT. Fish & Game
H. D. [unclear]	[unclear]
James G. [unclear]	Utahian General's Office
H. R. [unclear]	Box 94 Fallon Nevada
Andy [unclear]	LCB
Richard [unclear]	UNR
Larry [unclear]	UNR
Joe [unclear]	Wolf Club UNR
Bill Parish	Wolf Club UNR
Clayton Rabedeau	Univ. of Nevada - Reno -
Maet [unclear]	Industrial Appeals
Rob [unclear]	Appeals Office, N.C.
George [unclear]	Division of Financial Services
Warren B. Foley	Carson City Builders Assn.
Harv Smedley	Carson Builders Assn.

SENATE

COMMITTEE

GUEST LIST

DATE: _____

NAME	AGENCY OR ORGANIZATION
Ames Thano	Alpine Park - P.O. Box
Ed Jensen	Contractor C.C. HEU
RICH MASON	CARSON CITY HOME BUILDERS ASSOC
BRUCE SCOTT	CONSULTING ENGINEER
CHRYL LIEBHARD	CONTRACTOR - C.C. BUILDERS ASSOC
Ray Toke	Deputy Attorney General - Gaming
Kon Knecht	Carson City Home Builders Assoc
Harlan Elges	Gaming Control Bd
Wright Broadway	Gaming Control Bd
John Allen	KENO - SPARKS CHAMBER OF COMMERCE
Stan Hansen	Structural Engineer
DWIGHT C. MILLARD	MILLARD CONST - HOME BUILDERS ASSOC - NEV
Jodi Millard	MILLARD REALTY
Walter Reed	UHLV
Tom Peniglio	WESTERN NEVADA SUPPLY

PREPARED STATEMENT
ON BEHALF OF AB 63

BY
JACK PETITTI

EXHIBIT

A-

1/3

I'M JACK PETITTI, COUNTY COMMISSIONER FROM CLARK COUNTY AND CHAIRMAN OF THE LAS VEGAS CONVENTION AUTHORITY. THANK YOU FOR ALLOWING ME THE OPPORTUNITY TO APPEAR BEFORE YOU AND TESTIFY IN BEHALF OF ASSEMBLY BILL 63.

THE NEED FOR THE REVENUE WHICH WILL BE DERIVED FROM THIS LEGISLATION IS OBVIOUS AND I FULLY SUPPORT THE BILL FOR THAT REASON. BUT THIS LEGISLATION IS ALSO VERY IMPORTANT BECAUSE IT AUTHORIZES THE CONSTRUCTION OF A VERY BADLY NEEDED PROJECT IN LAS VEGAS. I AM REFERRING, OF COURSE, TO THE CENTER FOR CONTINUING EDUCATION AND SPECIAL EVENTS ON THE CAMPUS AT UNLV.

THIS FACILITY WILL BE OF GREAT BENEFIT TO THE LAS VEGAS CONVENTION AUTHORITY AND THE ECONOMY OF CLARK COUNTY FOR A NUMBER OF REASONS.

FIRST, IT WILL FREE UP FOR CONVENTION PURPOSES ALL OF THE DATES GIVEN TO UNLV FOR THEIR BASKETBALL GAMES AT THE CONVENTION CENTER. ON THE AVERAGE, UNLV ANNUALLY PLAYS ABOUT EIGHTEEN GAMES IN THE CONVENTION CENTER. SOME OF THOSE EIGHTEEN GAMES, HOWEVER, ACTUALLY TIE UP THE ROTUNDA FOR MORE THAN A DAY BECAUSE IT ORDINARILY REQUIRES A DAY TO SET UP FOR A BASKETBALL GAME AND ANOTHER DAY TO BREAK DOWN AFTERWARDS. SOMETIMES, GAMES ARE PLAYED ON CONSECUTIVE DATES OR ON CLOSE ENOUGH DATES THAT WE DON'T BREAK DOWN THE SET-UP BETWEEN GAMES. BUT IT DOES HAPPEN A NUMBER OF TIMES DURING THE SEASON SO THAT IT IS FAIR TO SAY THAT FOR ABOUT 25 DAYS EACH YEAR THE ROTUNDA AT THE LAS VEGAS CONVENTION CENTER IS NOT AVAILABLE FOR CONVENTION PURPOSES BECAUSE IT IS BEING UTILIZED BY THE UNIVERSITY. NOW I AND MOST EVERYONE ELSE AT THE CONVENTION AUTHORITY ARE ENTHUSIASTIC REBEL BASKETBALL FANS; BUT THE AVAILABILITY OF 25 ADDITIONAL DAYS EACH YEAR FOR CONVENTION USE WOULD POTENTIALLY MEAN A GREAT DEAL TO THE ECONOMY OF CLARK COUNTY AND TO THE STATE OF NEVADA IN TERMS OF ADDITIONAL SALES, GAMING AND ENTERTAINMENT TAXES THAT WOULD BE GENERATED.

SECOND, THE LAS VEGAS CONVENTION AUTHORITY AND THE ECONOMY OF CLARK COUNTY WILL BENEFIT FROM THE NEW FACILITY AT UNLV BECAUSE IT WILL SERVE AS AN AUXILIARY CONVENTION FACILITY FOR CERTAIN LARGE CONVENTION GROUPS WHICH REQUIRE A MUCH LARGER MEETING HALL THAN THE 6,000 SEAT ROTUNDA IN THE PRESENT CONVENTION CENTER. IN RECENT YEARS, WE HAVE HOSTED QUITE A FEW CONVENTIONS WHICH WE COULD NOT PROPERLY ACCOMMODATE WHEN THEY WANTED TO GATHER ALL TOGETHER AT ONE TIME. THIS NEW FACILITY AT UNLV WILL HELP US SOLVE THIS SERIOUS PROBLEM.

KEEP IN MIND, LADIES AND GENTLEMEN, THE CONVENTION BUSINESS IS VITAL TO THE ECONOMY OF CLARK COUNTY AND TO THE FINANCIAL SUPPORT OF LOCAL AND STATE GOVERNMENT. ALSO KEEP IN MIND THE FACT THAT THE CONVENTION BUSINESS IS VERY COMPETITIVE BETWEEN AND AMONG CITIES AROUND THIS COUNTRY, AND WE ARE NOT BEING COMPETITIVE AND ARE PUTTING THE ECONOMY OF LAS VEGAS IN JEOPARDY EACH TIME WE HAVE TO TELL A POTENTIAL CONVENTION GROUP THAT THEY CAN NOT USE OUR CONVENTION CENTER AS LONG AS THEY WOULD LIKE BECAUSE THE UNIVERSITY NEEDS IT OR WHEN WE HAVE TO TELL THEM THAT WE WOULD LIKE THEM TO HOLD THEIR 10,000 OR 20,000 DELEGATE CONVENTION IN LAS VEGAS BUT ONLY SIX TO SEVEN THOUSAND OF THEM CAN ATTEND A GENERAL MEETING TOGETHER.

THIRD, THE NEW FACILITY AT UNLV WILL HELP SOLVE ANOTHER PROBLEM WE CURRENTLY HAVE, THAT BEING THE INABILITY OF THE CONVENTION CENTER TO ACCOMMODATE THE LARGE NUMBER OF FANS WISHING TO ACCOMPANY SOME OF THE BASKETBALL TEAMS COMING TO LAS VEGAS TO PLAY THE REBELS. WE HAVE BEEN LOSING SIGNIFICANT TOURIST INCOME AND RESULTING TAX REVENUE BECAUSE THOUSANDS OF VISITING FANS DID NOT COME TO LAS VEGAS BECAUSE THERE WERE NOT SEATS AVAILABLE FOR THEM AT THE GAMES. I'M SURE THIS TYPE OF VISITOR TO LAS VEGAS WILL REPRESENT A SIGNIFICANT AMOUNT OF TOURIST BUSINESS IN THE FUTURE ONCE UNLV'S NEW FACILITY IS COMPLETED.

SO FAR I HAVE ONLY DISCUSSED THE PROPOSED UNLV CAMPUS FACILITY FROM THE STANDPOINT OF HOW IT WILL HELP THE CONVENTION AUTHORITY AND THE ECONOMY OF CLARK COUNTY AND THE STATE. I MUST ALSO BRIEFLY COMMENT ON THE VERY VALUABLE FUNCTION THIS FACILITY WILL SERVE IN HELPING FULLFILL THE RECREATIONAL AND CULTURAL NEEDS OF THE PEOPLE OF CLARK COUNTY, BOTH OF WHICH ARE NOT BEING MET VERY WELL AT THE PRESENT TIME DUE TO A LACK OF LARGE PHYSICAL FACILITIES. YOU HAVE ALL PROBABLY HAD EXPERIENCES WITH TOURISTS ASKING IF ANY ONE LIVES IN

LAS VEGAS AND THEN EXPRESSING SURPRISE WHEN TOLD THAT, YES, A LOT OF PEOPLE LIVE IN LAS VEGAS. INDEED, A LOT OF PEOPLE DO LIVE IN LAS VEGAS AND CLARK COUNTY--ABOUT FOUR HUNDRED THOUSAND AT THE PRESENT TIME. IT IS A DISGRACE THAT IN AN AREA WHOSE POPULATION WILL BE HALF A MILLION PEOPLE SHORTLY, THE LARGEST INDOOR PUBLIC FACILITY AVAILABLE FOR RECREATIONAL, ENTERTAINMENT AND CULTURAL PURPOSES ONLY SEATS SIX TO SEVEN THOUSAND PEOPLE AND IS SELDOM AVAILABLE BECAUSE ITS PRIMARY PURPOSE IS TO HOST VISITING CONVENTION GROUPS.

IN URGING YOU TO ACT FAVORABLY ON THIS BILL, I ALSO WOULD HOPE AND PRAY THAT YOU WILL HAVE THE WISDOM AND FORESIGHT TO ACT IN THE BEST INTERESTS AND NEEDS OF CLARK COUNTY IN FUTURE YEARS. SOME OF YOU MAY RECALL THAT PERIOD OF TIME IN THE MID-1950'S WHEN THE CURRENT LAS VEGAS CONVENTION CENTER WAS BEING PLANNED. THERE WAS CONSIDERABLE OPPOSITION TO ITS CONSTRUCTION ON THE GROUNDS THAT IT WASN'T NEEDED OR THAT IT WAS MUCH TOO LARGE. SOME PEOPLE PREDICTED THAT ITS 6,000 SEATS WOULD NEVER BE FILLED FOR AN EVENT. NOW, OF COURSE, THE ONLY COMMENTS YOU HEAR ABOUT THE INITIAL PLANNING AND CONSTRUCTION OF THE CONVENTION CENTER IN THE MID-1950'S ARE TO THE EFFECT THAT WHAT A SHAME IT IS THAT THOSE PERSONS RESPONSIBLE FOR PLANNING THE CONVENTION CENTER DID NOT HAVE THE IMAGINATION AND FORESIGHT TO SEE WHAT THE SIZE OF CLARK COUNTY AND ITS NEEDS WOULD BE JUST TWENTY YEARS LATER IN THE 1970'S.

SIMILARLY, I WOULD HOPE THAT YOU LADIES AND GENTLEMEN OF THIS COMMITTEE AND ALL OTHER RESPONSIBLE PERSONS WILL HAVE THE VISION TO LOOK AHEAD INTO CLARK COUNTY'S FUTURE TWENTY TO THIRTY YEARS FROM NOW. I CONFIDENTLY PREDICT THAT MOST OF YOU PRESENT IN THIS ROOM WILL LIVE TO SEE THE DAY WHEN THE POPULATION OF CLARK COUNTY EXCEEDS ONE MILLION PEOPLE. LET IT BE SAID BY EVERYONE IN THE YEAR 1999 THAT THE 1979 NEVADA STATE LEGISLATURE POSSESSED GREAT WISDOM, FORESIGHT AND CONCERN ABOUT CLARK COUNTY'S FUTURE BY APPROVING ASSEMBLY BILL 63 WHICH AUTHORIZED THIS LARGE, BEAUTIFUL FACILITY ON THE CAMPUS AT THE UNIVERSITY OF NEVADA AT LAS VEGAS. NO MATTER WHAT THE COST, IT WILL RETURN GREAT DIVIDENDS OF MANY KINDS IN FUTURE YEARS.

I MIGHT ADD THAT ALTHOUGH I DO NOT HAVE THE AUTHORITY TO SPEAK ON BEHALF OF THE PROPOSED FACILITY AT THE UNIVERSITY OF NEVADA AT RENO,

I BELIEVE MY TESTIMONY IS ALSO APPLICABLE TO THAT PROJECT AND ITS
IMPORTANCE TO THE FUTURE OF WASHOE COUNTY.

EXHIBIT A - 1

THANK YOU FOR YOUR KIND ATTENTION AND YOUR CONSIDERATION.

PAUL LAXALT
NEVADA

COMMITTEE ON APPROPRIATIONS
COMMITTEE ON JUDICIARY

United States Senate

WASHINGTON, D.C. 20510

WASHINGTON OFFICE:
315 RUSSELL OFFICE BUILDING
(202) 224-3542

CARSON CITY OFFICE:
705 NORTH PLAZA STREET
(702) 883-1930

LAS VEGAS OFFICE:
300 LAS VEGAS BLVD., SOUTH
(702) 385-6547

RENO OFFICE:
300 BOOTH STREET
(702) 784-3568

Mr. Chairman and Gentlemen of the Committee:

I have been asked by regents, administrators and supporters of the University of Nevada to appear before you and testify on behalf of Assembly Bill 63. I regret not being able to be present because of the press of matters here in Washington. I hope this letter will be an adequate substitute for my personal appearance.

Near the end of the 1977 session of the Nevada State Legislature, I was notified that you had just passed a bill (A.B.612) which would result in the construction of special events centers on the campuses at UNR and UNLV. I was elated by this news but my celebration was cut short when the caller added that there was one small hitch --- funding for the projects would have to be provided by Congress! "What?", I roared. "By Congress?" "Yes", the caller repeated. "They are contingent upon Congress returning to Nevada more of the federal slot machine tax." I was shocked even more to learn the perpetrators of this cruel trick were none other than my friends on the Senate Finance Committee!

"I'll get even with that bunch some day", I vowed. But first things first. We must succeed in securing passage of legislation returning more federal slot machine tax to Nevada. Fortunately, success was achieved in the fall of 1978. It was due in no small part to a lesson I had learned long ago as Lieutenant Governor and Governor watching the Nevada Legislature in action -- be nice to your Committee chairman. I am referring, of course, to Russell Long of Louisiana who I served with on the Senate Finance Committee.

Seriously, though, some developments took place in the Senate Finance Committee hearings that I probably should emphasize because they may have a bearing on your considerations today.

Although the bill introduced by Senator Cannon and myself called for the federal government to rebate 95% of the slot tax to Nevada, the Senate Finance Committee decided to rebate 95% this year, and then repeal the tax entirely next year. The reason this came about was that the U. S. Treasury Department's representatives

Members, Committee on Finance
April 10, 1979
Page Two

present at the committee hearing took the position that they didn't want to have to administer a federal tax which only yielded five percent and thus they strenuously opposed the 95% rebate on a permanent basis. They indicated that they would not oppose complete repeal of the tax leaving the entire amount available to Nevada.

Thus the state of Nevada will receive an unexpected extra amount of the slot tax revenue provided the 1979 Nevada Legislature passes Assembly Bill 63 which, I understand, will levy a state tax on slot machines to become effective upon repeal of the federal tax. Failure to pass AB63 could have dire consequences. First, of course, the state would lose this large amount of revenue until it should pass the state tax in some future session. But, as a result of commitments I made to the Senate Finance Committee and previous similar commitments made when the original slot tax rebate was passed in the early 1970's, you would be seriously risking federal action on this matter should you not enact AB63 this session.

I sold the bill to the Senate Finance Committee on two points: (1) That the money was badly needed back home in Nevada for University capital construction projects as evidenced by your passage of AB612 in 1977 which is now a part of Nevada Revised Statute 463.385, Sections 6 and 7, and that, under Nevada law, all of the additional increase must be used for that purpose; and (2) that no other group would receive any relief from passage of the bill including Nevada's gaming industry.

It is my opinion that failure by the 1979 Nevada Legislature to enact AB63 would likely result in the U. S. Treasury Department, or some other agency or group, introducing a bill to establish the federal tax again. Obviously, none of us want that to happen.

I also want to comment upon those provisions of AB63 which specifically authorize the bonding for the two facilities at UNR and UNLV. Although I would have worked for passage of our bill in Congress under any circumstances, I was especially motivated by the fact that the first projects to be funded are these two badly needed special events centers at UNR and UNLV.

I might also note that I have never seen a group of people so unselfishly dedicated to a cause, and work

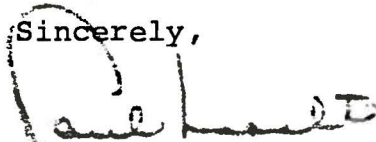
Member, Committee on Finance
April 10, 1979
Page Three

so hard in its behalf as have the University supporters. Bill Morris and Wayne Pearson, among others, called me so many times in regard to SB98 that I started to develop an aversion to telephones. I'm already getting even with those two in my own diabolical way!

I strongly urge you to pass AB63 as amended. These two facilities will pay many future dividends to the universities, the local communities, and even the entire state.

Thank you for your consideration.

Sincerely,



PAUL LAXALT
United States Senator

PL:vl

Senate Finance Committee
Floyd Lamb, Chairman
Nevada State Legislature
Carson City, Nv. 89710

Division of State Lands
 1000 East Flamingo Avenue
 Carson City, Nevada 89710

Address Reply to
 Division of State Lands
 1000 East Flamingo Avenue
 Carson City, Nevada 89710

STATE OF NEVADA
 DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
 Division of State Lands

April 12, 1979

MEMORANDUM

TO: Andy Grose, Research Director
 Legislative Counsel Bureau

Roland Westergard, Director
 Department of Conservation and Natural Resources

FROM: Jac R. Shaw, Administrator
 Division of State Lands

SUBJECT: Preliminary Estimated State Costs for Administration of
 Bureau of Land Management Lands (SB 240 and AB 413)

As per your request of April 11, 1979, this office has compiled estimated costs for the administration of lands now administered by the U.S. Bureau of Land Management. Following is our preliminary estimates of administering and maintaining these public lands in Nevada.

I. Estimated Revenues (Based on Fiscal Year 1978)

A. Bureau of Land Management within Nevada¹

<u>Source</u>	<u>Receipts</u>
Mineral Leases and Permits (including geothermal)	\$ 9,137,658
Sale of Lands and Materials	210,842 ²
Grazing within Grazing Districts	3,599,963 ²
Grazing Outside of Grazing Districts	75,611 ²
Fees and Commissions	328,483
Rights-of-Way	60,410
Rent of Land	12,115
Other	3,478
TOTAL	<u>\$13,428,560</u>

¹ Does not include 1.5 million acres administered by Boise and Susanville BLM Districts

² Represents 25% greater than actually received to indicate new grazing rates

EX HIBIT

- B. Total estimated annual revenues would be considerably higher with the sale of selected small tracts of land in the Las Vegas area. These sales could be spread out over a period of years to coordinate with the Master Land Use Plans of local governments in the area. Following is a table relating to BLM holdings in the Las Vegas Valley:

Total BLM acreage in Valley	37,011 acres
Approx. developable acreage	30,000 acres
Average selling price per acre (based on 1978 land sale)	<u>\$28,000</u>
Total projected income at \$28,000 per acre	\$840,000,000
Total projected income at \$10,000 per acre	\$300,000,000

II. Estimated Expenditures (Based on Fiscal Year 1978)

Bureau of Land Management within Nevada¹

<u>Type</u>	<u>Amount</u>
Range, Soil and Water Improvement	\$ 442,700
Facility Construction	111,500
Road Construction and Acquisition	785,300
Maintenance of Road and Facilities	506,700
Fire Prevention	391,000
Fire Suppression	1,204,400
Lands and Minerals Management	1,548,600
Range Management	2,401,000
Cadastral Surveys	317,000
Forest Management	99,700
Recreation Management	423,700
Wildlife Habitat Management	459,200
Program Development	2,127,400
Contributions	<u>104,000</u>
TOTAL	<u>\$10,922,200</u>

¹Does not include 1.5 million acres administered by Boise and Susanville BLM Districts

III. Funds now received by State of Nevada and local governments from Federal lands

<u>A. To Nevada State Treasury in 1978¹</u>	<u>Total Received</u>
Federal Mineral Leases (50%)	\$4,568,829
Sale of Land and Minerals (5%)	8,434
Grazing within grazing districts	359,996
Grazing outside of grazing districts	<u>30,245</u>
TOTAL	<u>\$4,967,504</u>

B. <u>In Lieu of Tax Payments to Local Governments in 1978¹</u>	<u>Total Payment</u>
All Counties	\$5,200,330 ²

¹Some Federal funding should continue if SB240/AB413 are implemented because not all Federal lands are to be acquired by the State of Nevada.

²Some lands could be deeded to private ownership to increase local tax rolls, or deeded to local governments for development. This would lessen amount of State funding required.

C. Federal Aid to Highways

1. Interstate Highways - Currently 95% Federally funded with 5% State funding. \$1.41 million paid by Nevada in 1978.

If Nevada took over BLM lands, we would be eligible for only 90% Federal funds with a 10% State match. Under this situation, using 1978 figures, Nevada's funding obligation would be \$2.98 million.

2. Primary and Secondary Highways and Other Programs - Currently 95% Federally funded with 5% State funding. \$1.99 million paid by Nevada in 1978.

If Nevada took over BLM lands, we would be eligible for only 70% Federal funds with a 30% State match. Under this situation, using 1978 figures, Nevada's funding obligation would be \$16.21 million.

Summary - In 1978, Nevada paid \$3.40 million to match Federal Highway funds. If Nevada did not have its "public land State" status, this State match would have to increase to \$19.20 million. This results in a total of \$15.8 million additional State expenditures on highways.

IV. Staffing Estimates

For January, 1979, the Bureau of Land Management employed 470 persons, which projects out to an expenditure of \$5,858,782 annually for salaries and related costs. This figures out to an average of \$12,465 per employee.

Two specialized programs of BLM which Nevada may not wish to continue involve wilderness planning (15 employees) and grazing environmental statements (an additional 15 employees). Because of the specialized nature of these programs we would guess that these people earn close to \$20,000 per year.

- V. In conclusion, the foregoing figures are preliminary and additional in-depth studies would have to be made to fully determine the costs of administering the many millions of acres involved. Logic would seem to indicate a possible reduction in manpower of sizeable proportions, but this would have to be done over a span of 5 or 10 years as experience would dictate.

Please note that we have not estimated the cost of initial capital investments which would be required. To be included would be buildings and office space in at least some of the eight communities now containing BLM district offices. These localities are: Reno, Carson City, Las Vegas, Winnemucca, Battle Mountain, Elko, Ely, and Tonopah. In addition to offices, other significant capital expenditures would involve office equipment, vehicles, fire-fighting vehicles and aircraft, and other specialized equipment.

JRS/lc

attachment

SUMMARY

COSTS AND BENEFITS OF ADMINISTRATION OF PUBLIC DOMAIN
BY THE STATE OF NEVADA (SB240 & AB413)

COSTS OF ADMINISTRATION

Annual Cost (1978 figures)

Public Domain (BLM) ¹	\$ 9,922,200 ²
In Lieu of Tax Monies to Local Governments	5,200,330 ³
Additional State Expenditures on Highways	<u>15,800,000</u>
	\$30,922,530

ESTIMATED REVENUES

Annual Revenue (1978 figures)

Public Domain (BLM)	\$13,428,560 ⁴
Sale of 30,000 acres in Las Vegas Valley ⁵	<u>20,000,000</u>
	\$33,428,560

¹ Estimated cost is \$1,000,000 less than current BLM expenditures to reflect reduction of 30 staff positions now working on wilderness studies and grazing environmental statements.

² May include some costs of administration now incurred outside of Nevada.

³ Some Federal funding should continue as not all Federal lands are to be acquired.

⁴ Reflects 25% increase in grazing from new grazing lease rates.

⁵ Sale of 2,000 acres per year over next 15 years at an average price of \$10,000 per acre; OR, sale of 714 acres per year over next 42 years at an average price of \$28,000 per acre.

BIENNIAL BUDGET NEEDS FOR FY 79-80 AND 80-81

Fuel Management Plan		
- Remove log pile at Marlette Lake		\$ 9,250.00
- Hazard reduction along roads		15,000.00
	TOTAL	\$ 24,250.00
Firefighting Plan		
- 5 helispot construction		\$ 3,200.00
- 6 water sumps		1,110.00
	TOTAL	\$ 4,310.00
Road Plan		
- Improve 25 miles of road		\$ 25,000.00
- Install 35 culverts		15,000.00
- Open pipeline road		10,000.00
	TOTAL	\$ 50,000.00
Water Quality Plan		
- Lab analysis of water samples		\$ 3,600.00
Fishery and Wildlife Management Plan		
- Construction of nesting platforms		\$ 500.00
Equestrian Plan		
- 6 hitching posts		\$ 300.00
Overnight Backpack Camping Plan		
- Construct 10 camp units		\$ 1,750.00
- 6 toilet units		9,000.00
- Pump unit to service toilets		3,500.00
- Signing		1,000.00
	TOTAL	\$ 15,250.00
Natural Reserve Plan		
- Survey private land		\$ 5,000.00
- Boundary signing		900.00
- Interpretive signing		3,750.00
- YCC materials		1,000.00
	TOTAL	\$ 10,650.00
Historical and Archaeological Study		\$ 7,200.00
Forester I Position		
- Grade 31, Step 1 + Fringe Benefits		\$ 29,350.00
	<u>TOTAL BUDGET</u>	<u>\$145,410.00</u>

BIENNIAL BUDGET NEEDS FOR FY 79-80 AND 80-81

Fuel Management Plan		
- Remove log pile at Marlette Lake		\$ 9,250.00
- Hazard reduction along roads		15,000.00
	TOTAL	\$ 24,250.00
Firefighting Plan		
- 5 helispot construction		\$ 3,200.00
- 6 water sumps		1,110.00
	TOTAL	\$ 4,310.00
Road Plan		
- Improve 25 miles of road		\$ 25,000.00
- Install 35 culverts		15,000.00
- Open pipeline road		10,000.00
	TOTAL	\$ 50,000.00
Water Quality Plan		
- Lab analysis of water samples		\$ 3,600.00
Fishery and Wildlife Management Plan		
- Construction of nesting platforms		\$ 500.00
Equestrian Plan		
- 6 hitching posts		\$ 300.00
Overnight Backpack Camping Plan		
- Construct 10 camp units		\$ 1,750.00
- 6 toilet units		9,000.00
- Pump unit to service toilets		3,500.00
- Signing		1,000.00
	TOTAL	\$ 15,250.00
Natural Reserve Plan		
- Survey private land		\$ 5,000.00
- Boundary signing		900.00
- Interpretive signing		3,750.00
- YCC materials		1,000.00
	TOTAL	\$ 10,650.00
Historical and Archaeological Study		
		\$ 7,200.00
Forester I Position		
- Grade 31, Step 1 + Fringe Benefits		\$ 29,350.00
	<u>TOTAL BUDGET</u>	<u>\$145,410.00</u>

573

A.B. 413 WITH PROPOSED
AMENDMENTS TO THE FIRST REPRINT

AN ACT relating to public lands; creating the Nevada lands commission; providing for state control of certain lands within the state boundaries; providing penalties; making an appropriation; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly,

do enact as follows:

SECTION 1. Chapter 321 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 9, exclusive, of this act.

SEC. 2. The legislature finds that:

1. Whereas, The State of Nevada has a strong moral claim upon the public land within its borders retained by the Federal Government, because:

(a) On October 31, 1864, the Territory of Nevada was admitted to statehood on the condition that it forever disclaimed all right and title to unappropriated public land within its boundaries;

(b) From 1850 to 1894, newly admitted states received 2 sections of each township for the benefit of common schools, which in Nevada amounted to 3.9 million acres;

(c) In 1880 Nevada agreed to exchange its 3.9 million acre school grant for 2 million acres of its own selection from public land in Nevada held by the Federal Government;

(d) At the time the exchange was deemed necessary because of an immediate need for public school revenues and because the majority of the original federal land grant for common schools remained unsurveyed and unsold;

(e) Unlike certain other states, such as New Mexico, Nevada received no land grants from the Federal Government when it occupied the status of a territory;

(f) Nevada received no land grants for insane asylums, schools of mines, schools for the blind and deaf and dumb, normal schools, miners' hospitals or a governor's residence as did states such as New Mexico; and

(g) Nevada thus received the least amount of land, 2,572,478 acres, and the smallest percentage of its total area, 3.9 percent, of the far west land grant states admitted after 1864, while states of comparable location and soil condition, namely Arizona, New Mexico and Utah, received approximately 11 percent of their total area in federal land grants; and

2. Whereas, the state of Nevada has a legal claim to the public land within its borders retained by the Federal Government because:

(a) In the case of the State of Alabama, a renunciation of claim to unappropriated lands similar to that contained in the ordinance adopted by the Nevada constitutional convention was held by the Supreme Court of the United States to be "void and inoperative" because it denied to Alabama "an equal footing with the original states" in Pollard v. Hagan, 44 U.S. (3 How.) 212 (1845);

(b) The State of Texas, when admitted to the Union in 1845, retained ownership of all unappropriated land within its borders, setting a further precedent which inured to the benefit of all states admitted later "on an equal footing"; and

(c) The Northwest Ordinance of 1787, adopted into the Constitution by the reference of Article VI to prior engagements of the Confederation, first proclaimed the "equal footing" doctrine, and the treaty of Guadalupe Hidalgo by which the territory including Nevada was acquired from Mexico, which is "the supreme law of the land" by virtue of Article VI, affirms it expressly as to the new states to be organized therein; and

3. Whereas, the exercise of broader control by the State of Nevada over the public lands within its borders would be of great public benefit because:

(a) Federal holdings in the State of Nevada constitute 86.7 percent of the area of the state, and in Esmeralda, Lincoln, Mineral, Nye and White Pine counties the Federal Government controls from 97 to 99 percent of the land;

(b) Federal jurisdiction over the public domain is shared among 17 federal agencies or departments which adds to problems of proper management of land and disrupts the normal relationship between a state, its residents and its property;

(c) None of the federal lands in Nevada are taxable and Federal Government activities are extensive and create a tax burden for the private property owners of Nevada who must meet the needs of children of Federal Government employees, as well as provide other public services;

(d) Under general land laws only 2.1 percent of federal lands in Nevada have moved from federal control to private ownership;

(e) Federal administration of the retained public lands, which are vital to the livestock and mining industries of the state and essential to meet the recreational and other multiple uses of its citizens, has been of uneven quality and sometimes arbitrary and capricious; and

(f) Federal administration of the retained public lands has not been consistent with the public interest of the people of Nevada in that such administration has included the use of such lands for armament and nuclear testing thereby rendering many parts of said lands unusable and unsuited for multiple use and endangering the public health and welfare; and

4. The intent of the framers of the Constitution of the United States was to guarantee to each of the states sovereignty over all matters within its boundaries except for those powers specifically granted to the United States as agent of the states;

5. The attempted imposition upon the State of Nevada by the Congress of the United States of a requirement in the enabling act that Nevada "disclaim all right and title to the unappropriated public lands lying within said territory," as a condition precedent to acceptance of Nevada into the Union, was an act beyond the power of the Congress of the United States and is thus void;

6. The purported right of ownership and control of the public lands within the State of Nevada by the United States is without foundation and violates the clear intent of the Constitution of the United States; and

7. The exercise of such dominion and control of the public lands within the State of Nevada by the United States works a severe, continuous and debilitating hardship upon the people of the State of Nevada.

SEC. 3. As used in sections 2 to 11, inclusive, of this act, unless the context otherwise requires:

1. "Division" means the division of state lands of the State of Nevada, which is empowered to acquire and hold in the name of the State of Nevada certain lands and interests in land.

2. "Public lands" means all lands within the exterior boundaries of the State of Nevada except lands:

(a) To which title is held by any private person or entity;

(b) To which title was held by the State of Nevada, any of its local governments or the University of Nevada System before July 1, 1980;

(c) Which are located within congressionally authorized national parks, monuments, national forests or wildlife refuges, or which are lands acquired by purchase consented to by the legislature;

(d) Which are controlled by the United States Department of Defense, Department of Energy or Bureau of Reclamation; or

(e) Which are held in trust for Indian purposes or are Indian reservations.

3. "Registrar" means the state land registrar of the State of Nevada who is executive head of the division of state lands in accordance with the provisions of chapter 321 of the Nevada Revised Statutes.

SEC. 4. 1. The state lands division shall hold the public lands of the State of Nevada in trust for the benefit of the people of the state of Nevada and shall manage them in an orderly and beneficial manner, under a multiple use concept, consistent with the public policy declared in section 6 of this act.

2. The registrar may adopt rules or regulations pursuant to law necessary to manage the public lands of the state in an orderly and beneficial manner and to carry out the provisions of this act and the public trust created herein.

3. The registrar may contract for or employ such professional and clerical personnel as are needed to carry out the functions prescribed herein, provided any contract for professional services shall be subject to approval of the board of examiners and any funds necessary to compensate such personnel have been approved for expenditure by the legislature or interim finance committee.

SEC. 5. 1. Subject to existing rights, all public lands in Nevada and all minerals not previously appropriated are the property of the State of Nevada and subject to its jurisdiction and control.

2. Until equivalent measures are enacted by the State of Nevada, the rights and privileges of the people of the State of Nevada under the National Forest Reserve Transfer Act (16 U.S.C. § 471 et seq.), the General Mining Laws (30 U.S.C. § 21 et seq.), the Homestead Act (43 U.S.C. § 161 et seq.), the Taylor Grazing Act (43 U.S.C. § 315 et seq.), the Desert Land Act (43 U.S.C. § 321 et seq.), the Carey Act (43 U.S.C. § 641 et seq.), and the Public Range Lands Improvement Act (43 U.S.C. § 1901 et seq.), and all rights-of-way and easements for public utilities must be preserved under administration by the state.

3. Public lands in Nevada which have been administered by the United States under international treaties or interstate compacts must continue to be administered by the state in conformance with those treaties or compacts.

SEC. 6. 1. The public lands of Nevada must be held in trust for the benefit of the general public and administered in such a manner so as to conserve and preserve natural resources, wildlife habitat, wilderness areas, historical sites and artifacts, and to permit development of compatible public uses for recreation, agriculture, ranching, mineral and timber production and for the development, production and transmission of energy and other public utility services under principles of multiple use which provide maximum benefit to the people of Nevada.

SEC. 7. 1. Except as provided in subsection 2, no sale, conveyance or other disposal of the public lands shall be permitted or authorized by the registrar, unless specifically authorized by an act of the legislature enacted subsequent to the effective date of this statute.

2. To the extent that the public lands may be conveyed, leased, permitted, or licensed by the Federal Government or any agency thereof, the registrar is hereby authorized to convey, lease, license or permit the use of public lands to the same extent or in the same manner as such lands are conveyed, leased, licensed, or permitted to be used by the Federal Government or any agency thereof.

3. All proceeds of fees, rents, royalties or other money paid to the state under sections 2 to 9, inclusive, of this act must be deposited with the state treasurer for credit to the state general fund.

SEC. 8. 1. The courts of the State of Nevada shall have jurisdiction to enforce the provisions of sections 2 to 9, inclusive, of this act.

SEC. 9. 1. Except as may be authorized pursuant to section 5 hereof or except as may be authorized by the registrar pursuant to any authority conferred herein or other valid law, any sale, lease, exchange, encumbrance, or disposal of any parcel or any interest in the public lands of this state shall be void.

2. Any person who intends to perform or who actually carries out any act with respect to the use, management, or disposal of any of the public lands of the State of Nevada, under color of any purported statute, ordinance, regulation, custom, or usage of the United States or otherwise, shall obtain written authorization from the registrar approving or confirming any such act, which authorization shall be given only to the extent it is authorized under the laws of the State of Nevada.

3. Any person who does not obtain written authorization from the registrar as provided in subsection 2 above may be enjoined by the registrar from attempting to perform or continuing to carry out any act respecting the use, management, or disposal of any of the public lands of the State of Nevada in any court of competent jurisdiction of this state in which any of the affected public lands are located or in which said person resides.

4. The state of Nevada shall be entitled to receive any money or consideration paid by any person or legal entity for any purported sale, lease, exchange, encumbrance, or other disposition of any of the public lands of the State of Nevada, contrary to the provisions of this act, which money may be recovered in a civil action for debt initiated by the registrar against the person who collected the money in any court of competent jurisdiction of this state in which any of the affected public lands are located or in which said person resides.

5. The attorney general may initiate or defend any legal action commenced in any court to carry out or enforce the provisions of this act or seek any appropriate judicial relief to protect the interests of the State of Nevada or the people of the state in the public lands over which the State of Nevada exercises jurisdiction pursuant to this act and such right to enforce the provisions of this act shall vest exclusively in the attorney general and not in any private person or party.

SEC. 10. 1. The department of conservation and natural resources shall conduct an inventory and a study of the public lands of Nevada to determine, in conjunction with the respective boards of county commissioners and the planning commissions of the several counties, the methods of management that will best satisfy the mandate of section 6 of this act and establish a basis for a determination of the best uses of the land.

2. The department of conservation and natural resources shall submit a report of its findings and recommendations to the Nevada lands commission and to the 61st session of the legislature.

SEC. 11. There is hereby appropriated to the interim finance committee from the state general fund the sum of \$250,000 for the biennium beginning July 1, 1979, and ending June 30, 1981, for the support of the registrar and the division in carrying out the support of this act, and for the attorney general for any litigation arising out of this act. All litigation costs incurred by the attorney general in enforcing the provisions of this act shall be chargeable to the fund created pursuant to the authority of this section.

STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

MEMORANDUM

TO: Senator Spike Wilson DATE: 5/2/79

FROM: Larry Struve
Chief Deputy Attorney General

SUBJECT: Projected Legal Costs in Enforcing Public Lands Legislation
(A.B. 413)

Pursuant to your request to provide some figures on the estimated cost of litigation during the 1979-81 biennium to enforce A.B. 413, I located the figures of litigation expenses between July 1, 1975, and June 30, 1977, for representing the State of Nevada in U. S. v. T.C.I.D. (the Truckee River litigation). It was during this time that major preparations were made for the trial before Judge Blaine Anderson, which occurred in early 1977. These expenses were paid from the special fund created for the sole purpose of defending the State in this complex litigation. The records indicate the following:

a.	Expert Witness Fees:	\$128,907.77
b.	Attorney Fees:	217,658.49
c.	Court-related Costs:	<u>9,005.77</u>
	TOTAL	<u>\$355,572.03</u>

Accordingly, \$250,000.00 would not be an overappropriation for litigation costs to defend A.B. 413.


Larry Struve
Chief Deputy Attorney General

LS:jc

5/3

MARLETTE-HOBART
MANAGEMENT PLAN

DEPARTMENT OF CONSERVATION AND
NATURAL RESOURCES
NEVADA DIVISION OF FORESTRY
JUNE 1978

SYNOPSIS

This management plan was prepared pursuant to Assembly Bill 732 enacted by the 1977 Legislature. The Department of Conservation and Natural Resources assigned the responsibility of preparing this management plan to the Nevada Division of Forestry (NDF). NDF contacted Fish and Game, State Parks, Soil Conservation Service, Consumer Health Protection and State Lands to ask for their expertise in preparing various portions of the management plan.

A working group consisting of representatives from Fish and Game, State Parks, Bureau of Consumer Health Protection Services, Division of Buildings and Grounds, State Lands, Soil Conservation Service, U.S. Forest Service, NDF and other agencies and people interested in the management of the watersheds, met on several occasions to discuss and revise the rough draft plans to assure compatibility.

The attached management plans are the long range goals for management of the watersheds. The two year plan and budget included within are the portions of the long range plans that the working group felt could be and should be implemented pending legislative funding and authorization.

During subsequent Legislative years, a two year plan and budget will be submitted to insure that these two important watersheds are managed on a continuing basis. This approach was considered the best by the working group as it was felt that the management accomplishments should be done gradually. This approach would also help maintain control on water quality and quantity which is of utmost importance. Water quality is

important to the consumers in the Carson City and Virginia City area and to the Bureau of Consumer Health Protection Services which is charged by federal legislation to enforce the Safe Drinking Water Act. Water quality can be influenced by the activities of the agencies who have management responsibility in these watersheds and therefore should be managed in a cautious and coordinated manner as proposed.

TWO YEAR IMPLEMENTATION PLAN

This two year plan for FY 80 and 81 was agreed upon by the working group and approved by the Director of the Department of Conservation and Natural Resources as being the most important and necessary items needed for implementing management affecting Marlette-Hobart watersheds.

The forest management program consists of monitoring insect and disease problems to determine if any type of action needs to be taken. Sites will also be selected and evaluated for sanitation cutting in conjunction with working group members. Plans and budget needs for the initial phase of the sanitation cutting will be presented to the 1981 Legislature.

The fuel management program consists of: removing the large log piles at the south end of Marlette Lake; developing and evaluating a site specific plan for fuel hazard reduction along approximately seven miles of primary road during FY 80; and implementing site specific plans, upon approval of working group, during FY 81.

The firefighting plan consists of: locating, cleaning up and marking five (5) helispots on ridgetops throughout the two watersheds; and establishing six (6) water sumps at stream crossings throughout the watersheds. The water sumps will be established during the road improvement work.

The road plan is to: improve all primary roads leading into and existing in the watersheds to the point of controlling soil erosion; open the pipeline road from Red House to the junction of Tunnel Creek Road; close off other roads not necessary for management of watersheds; and restrict travel on fire trails to emergency vehicles only. The improvements

on primary roads will consist of putting in thirty-five (35) steel or concrete culverts at all stream crossings and shaping the roads to prevent soil erosion.

The soil erosion control plan provides for: inventory the area to determine needs during the summer of 1979. A damage assessment team consisting of Division of Forestry, State Parks, Fish and Game, U.S. Forest Service and Soil Conservation Service will do the inventory work.

The water quality plan provides for: adopt parameters for water quality to assure that quality is maintained or improved; prohibitions of activity that would effect water quality; and water sampling on a quarterly basis at eight locations.

The livestock grazing plan consists of not permitting livestock to graze in either watershed or State land.

The utility corridor plan states that: any new corridors be prohibited in these watersheds; uprating of existing power lines and expansion of the gas line be allowed only if impacts can be mitigated; the use of vehicles for inspection and use of heavy equipment for routine maintenance should be kept to a minimum.

The fish and wildlife management plan is to: reduce the common beaver population in the Hobart area; reduce the eastern brook trout and Tahoe sucker population in Marlette Lake; and establish a maximum draw-down on Marlette Lake of three (3) feet below the 1959 spillway level of 7,838 feet. Draw-down should not exceed a one foot drop in elevation during the spawning run in May and June.

The equestrian program provides for: restricting horses to designated trails; restricting the number of organized trail

rides and the number of horses per organized trail rides; establishing a permit system for trail ride groups; prohibit horses to be within 200 feet of surface waters used for municipal purposes; restrict horses from meadows, aspen glades and from grazing anywhere within the watersheds; provide hitching post and signs at selected areas to help control horse use; and to monitor horse use on trails, soils, water quality and vegetation to determine future management policy.

The overnight, backpack camping plan provides for: establishing two walk-in campgrounds outside the watersheds; establishing restrictions and a permit system for use of these campgrounds; establishing a monitoring system for the day hikers to determine the impact; marking of trail systems in watersheds to assist users; and provide toilet units in the watersheds for the users.

The natural reserve plan for the Marlette watershed consists of: designating the entire Marlette watershed as a natural reserve; securing a written agreement with U.S. Forest Service to dedicate their lands within the watershed as a natural reserve; private land to be surveyed; signing of natural reserve boundary to explain purpose; close off unnecessary roads; establish interpretive trails with signs.

During the course of preparing these management plans, it was suggested that a law enforcement person be hired to work in the Marlette-Hobart area to enforce all forestry, fish and game and parks laws, rules and regulations. It was later agreed upon by the working group that this person could accomplish a number of other duties while enforcing the law. The person would be

hired on as a Forester I and be under the supervision of NDF. Duties would include such task as: taking water quality samples for Consumer Health; finish establishing permanent inventory plots; re-inventory all permanent plots on a five year interval; develop, implement, and analyze a multiple use watershed impact monitoring system; coordinate with State Parks in developing and enforcing their permit and registration system for all users; maintain quality control on all management plan projects; provide initial attack on all fires in and adjacent to the watersheds; assist adjacent landowners in developing a watershed management program compatible with the one prepared for the Marlette-Hobart area; assist the State Watermaster by checking the water levels of Marlette, Hobart, the tanks and the diversion dam and make adjustments as needed to regulate the flow; inspect the dams, overflows, weirs, and control valves for failures and vandalism; inspect the road system before and after winter and after major thunderstorms to determine what type of work is needed to put it in shape; observation and documenting of all wildlife species, sign and habitat type; trapping of beaver in Hobart area; furbearer inventory which includes baiting, fur collection and analysis; observation of blue grouse and turkey to document mating territories and determine annual productivity; construction of nesting platforms for raptors; determine mountain beaver distribution and densities; conduct fish population and feeding habit studies; observe spawning activities and test various methods for removal of brook trout and suckers; analyze water chemistry and determine water temperature at various depths; determine plankton quantity and quality and monitor any changes which may occur as management plans are

put into effect; assist with annual cutthroat spawning operation; and enforce all laws, rules and regulations for forestry, parks, and fish and game.

The historic preservation plan provides for: identification and assessment of historical and archeological resources present in the watersheds; development of a management plan element that describes the resources and provides guidelines for their management in a compatible or non-conflicting manner with other resource types.

STATEMENT OF JAMES W. JOHNSON, JR.
IN OPPOSITION TO S.B. 357

I am appearing here today to oppose Senate Bill 357 and I am particularly opposed to the philosophy contained in Section 4 of said Bill which gives to the State of Nevada all rights to the use or diversion of water within the water sheds of Marlette Lake, Franktown Creek and Hobart Creek which were not appropriated prior to April 26, 1963 and, further, does not allow any further appropriations without the express consent of the Legislature. 5/3

It would appear to me that such a law is a dangerous precedent to set and takes away from the Nevada State Engineer, at least to a limited extent, his powers and duties over the appropriation of waters within the State of Nevada. By limited extent, I mean that it is limited to these particular areas and takes away any power of the State Engineer. I have not had sufficient time to make a determination as to whether or not there have been applications to appropriate waters of Marlette Lake, Franktown Creek or Hobart Creek, subsequent to April 26, 1963. If there were, of course, by any person other than the Marlette Lake Company, the Act would have the effect of denying them that which might be an existing vested right under a completed appropriation.

It has long been the policy of the State Engineer's Office of the State of Nevada to see that all waters which are subject to appropriation shall be put to beneficial use as soon as possible. The act, which we are considering here would,

with regard to this particular area, preclude such a policy and might well reserve for all time, or until such time as the Legislature again makes a decision to act upon the matter the orderly appropriation and beneficial use of the waters of these particular areas.

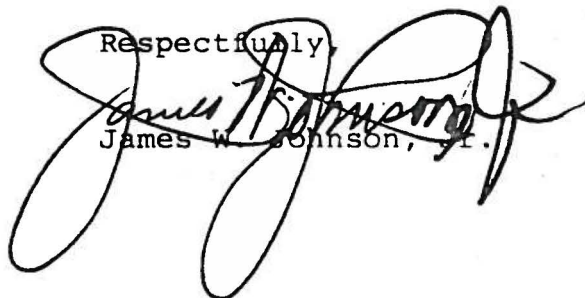
At the present time, it is my understanding that Carson City is negotiating with respect to the use of waters of Hobart Creek. I am wondering if the passage of such an Act as we are considering here today, might well preclude such negotiation, wherein it is necessary for the State Engineer to approve water uses and this Bill would, apparently, take from him that right of approval.

All in all, it would seem that a matter such as is philosophically stated in the existing Bill needs much greater study than has been given to it at this time, for I, at least am unable to determine the overall long-range effect that it may have on other areas of the State as to the State Engineer's duties and rights, together with the agreements that Carson City is presently attempting to enter into and I would respectfully suggest that the matter be delayed until at least a further study of the total overall effect can be determined.

Further, in Section 3 of said Act, a provision is made for transferring water from Carson City to the State of Nevada. I fail to see how the Legislature can by legislative fiat, without any agreement signed by the governing body in Carson City, automatically transfer waters which have been acquired or rights which have been made to appropriate waters or applications for water to the State of Nevada. It would

appear to me that such legislative taking would certainly contain constitutional inhibition.

Respectfully,



James W. Johnson, Jr.