

SENATORS PRESENT:

CHAIRMAN GLASER
SENATOR DON ASHWORTH
SENATOR DODGE
SENATOR KOSINSKI
SENATOR SLOAN

ASSEMBLYMEN PRESENT:

CHAIRMAN PRICE
VICE CHAIRMAN CRADDOCK
ASSEMBLYMAN CHANEY
ASSEMBLYMAN COULTER
ASSEMBLYMAN DINI
ASSEMBLYMAN MANN
ASSEMBLYMAN BERGEVIN
ASSEMBLYMAN MARVEL
ASSEMBLYMAN RUSK
ASSEMBLYMAN TANNER
ASSEMBLYMAN WEISE

SENATORS ABSENT:

SENATOR LAMB
SENATOR RAGGIO

ASSEMBLYMEN ABSENT:

NONE

Chairman Glaser called the meeting of the two taxation committees to order in the Assembly Lounge.

Mr. Price explained the actions of the Assembly Taxation Committee in "indefinitely postponing" SB 589. He stated that the problem that the committee had was that philosophically they were committed to have the tax relief occur during the first year of the biennium. Since impound notices are on an calendar year basis, the average person who has a mortgage through a mortgage company would see no relief on the payment until January of 1981. He added that the committee had realized that they had agreed to the basic concept that the money committees would do their business and that tax relief would be funded with what was left. He stated that committee was not absolutely sure that the tax relief package was given the priority that it should have been by these money committees. This is basically the reasoning behind the committee's action.

Senator Glaser stated that it was their understanding earlier to plug in whatever was left into the tax program with the stipulation that a \$34,000,000 balance be maintained. Then in Senate Finance when they were attempting to set the Distributive School Fund they had to use some figures in order to reconcile. Representatives of the school district were present and they showed the committee where they would suffer adversely if they picked up less than 30¢ and they would have to go back in and augment the DSF if they picked up less. If they picked up more than the 30¢ they would benefit. The committee decided that it would not be good to adjust the rate through the DSF. They then conceived the notion that they pull back the 25¢ property tax and leave the 30¢ alone. He ended that they feel that it would be a breach of faith and fiscally irresponsible not to go with the \$34,000,000 ending balance. Attached to these minutes as Exhibit A is a copy of Senate General Fund Balance as of 5-25-79.

Mr. Weise stated that since these numbers were agreed to there seemed to be a number of large money items that have come through. He added that he also felt that there seems to be more than one area to make up the difference. He continued that it was agreed that it was proper for the money committees to establish the dollar money rather than give the money committees a bill but that perhaps they should have just given them a bill for \$230,000,000 and they would be in this situation.

Senator Don Ashworth stated that if they had had a \$230,000,000 bottom figure they could have worked it backwards and had the tax package resolved. However, he added that they had never been functioning under the understanding that they had such a bottom line figure.

Mr. Mann stated that the Assembly Taxation Committee has operated from the very first with the fact that the only way that Question 6 can be beat is have upfront relief the first year so that the people can have that experience. He added that he felt that they wouldn't have passed the capital improvement bill if they hadn't felt that the money was there for the tax relief program. He suggested that they could one-shot it the first year from the capital improvement expenditures.

Mr. Dini suggested that perhaps they could take the money needed from someplace such as the money set aside for the post retirement fund.

Senator Gibson stated that it had been the first time that all the figures had been placed on one piece of paper. It was the first time that the tax program in figures had been brought to them. The Finance Committee had felt that this method would be less disruptive. This maintain the balance at the level that had been discussed and still give substantial tax relief. He questioned where the \$230,000,000 came from.

Senator Dodge stated that the Assembly was working with that figure because the were spreading the tax relief clear across the board. He stated that he personally had always figured that they were working with too high a figure.

It was suggested that perhaps the energy bill could be handled by letter of credit rather than setting the \$10,000,000 aside. This along with other smaller appropriations would bring up the ending balance to the \$34,000,000.

Many of the members expressed the feeling that although the programs suggested were indeed worthy, did they need to implemented at this time. Many felt that the tax package should have the highest priority at this time.

Senator Don Ashworth stated that with Senator Lamb being present they could not reconcile anything without him to give them the financial impact.

It was decided to recess the committee until it would be possible to have Senator Lamb in attendance. As there was no further business to come before the chair, Chairman Glaser adjourned the meeting.

Respectfully submitted,

Sandra Gagnier

Sandra Gagnier,
Assembly Attache

Also attached to these minutes is a copy of the proposed amendments to SB 204. These are attached as Exhibit B.

SENATE FINANCE COMMITTEE

General Fund Balance: Action Through May 25, 1979 - 1:00 p.m.

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>
General Fund Balance 7/1/78	\$74,805,265		
Estimated Income	\$299,178,167	\$339,317,516	\$387,884,522
Less 25 Cent Property Tax			(16,453,000)
Less 2 Cent Sales & Use Tax - Food		(15,066,480)	(17,627,720)
Less Park User Fees	(83,350)	(169,800)	(173,900)
Less Mental Health SAMI & Medicare		(225,000)	(230,000)
Less Real Estate License Fees		(235,000)	(235,000)
Less State Share County Gaming		(2,700,000)	(2,900,000)
Less Real Estate Transfer Tax		(2,500,000)	(2,750,000)
Add Estimated Reversions	36,500,000	3,000,000	3,000,000
Total Estimated Income	<u>\$335,594,817</u>	<u>\$321,421,236</u>	<u>\$350,514,902</u>
Legislative Appropriations	\$241,376,950		
Estimated Cost of 1979 & 1981 Sessions	2,000,000		3,000,000
Governor's Recommended Appropriations	134,991,820	\$246,095,703	\$263,096,657
Senate Finance Changes:	(2,930,922)		
Bills	(7,930,922)	16,438,644	2,148,644
Budgets	(9,694,878)	1,078,531	(903,343)
Appropriations for Tax Relief:			
1 Cent Food Tax - Distributive School Fund		6,900,000	8,000,000
70 Cent Property Tax (S.B. 204)		40,282,891	47,411,112
30 Cent Property Tax (S.B. 204)		17,265,000	20,319,000
11 Cent Property Tax - Title 19		6,207,000	7,137,000
Total Expenditures	\$360,742,970	<u>\$334,267,769</u>	<u>\$350,209,070</u>
	365,742,970		
Balance	\$49,657,112	(\$ 12,846,533)	\$ 305,832
	441,657,112		
Balance End of Biennium			<u>32,116,411</u>
			<u>\$37,116,411</u>

Other General Fund Resources

Postretirement Fund	\$20,000,000
Sports Pavilions	5,500,000
Interim Finance	5,900,000
Energy Bill	10,000,000
Total	<u>\$41,400,000</u>

Exhibit A

1979 REGULAR SESSION (60TH)

ASSEMBLY ACTION		SENATE ACTION		Assembly	AMENDMENT BLANK
Adopted	<input type="checkbox"/>	Adopted	<input type="checkbox"/>	AMENDMENTS to	Senate
Lost	<input type="checkbox"/>	Lost	<input type="checkbox"/>		Joint
Date:		Date:		Bill No. 204	Resolution No.
Initial:		Initial:		BDR 32-1480	
Concurred in	<input type="checkbox"/>	Concurred in	<input type="checkbox"/>	Proposed by	Committee on Taxation
Not concurred in	<input type="checkbox"/>	Not concurred in	<input type="checkbox"/>		
Date:		Date:			
Initial:		Initial:			

Amendment N^o 1408

Resolves conflict with S.B. 569.
Makes substantive changes.

Amend section 1, page 1, line 2, by deleting "2 and 3" and inserting "2 to 3.5, inclusive,".

Amend section 2, page 1, line 4, after "\$3.64" by inserting ", plus any levy for state purposes,".

Amend the bill as a whole by adding a new section, designated section 3.5, following section 3, to read as follows:

"Sec. 3.5. All household goods and furniture used by a single household and owned by a member of that household are exempt from taxation.".

Amend section 4, page 2, by deleting line 24 and inserting: "limit. [That portion of the".

Amend section 4, page 2, line 26, by deleting the bracket.

Amend section 6, page 4, line 11, by deleting "80 percent of".

Amend section 12, page 6, by deleting lines 26 and 27 and inserting:

"chapter 364, Statutes of Nevada 1979, and section 11 of this act

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Engrossment
Bill ✓

Date 5-26-79 Drafted by DGS/FWD:iw

may be cited as the State Budget Act."

Amend section 14, page 6, by deleting lines 44 through 47 and inserting:

"(b) The amount calculated under paragraph (a) is multiplied by 80 percent of the average annual percentage of inflation or deflation for the 60 months preceding the month of November preceding the fiscal year for which the budget is prepared and further multiplied by the number of years from July 1, 1978, to July 1 of the year for which the budget is prepared, and this product is added to or subtracted from the amount calculated under paragraph (a)."

Amend section 14, page 7, line 4, by deleting "tentative".

Amend section 14, page 7, by deleting lines 21 and 22 and inserting:

"by the United States Department of Labor, must be used".

Amend section 15, page 7, line 40, by inserting after "purposes of" the words "NRS 354.599 and 354.615 and".

Amend section 15, page 8, by inserting between lines 4 and 5:

"(b) Of a metropolitan police department;".

Amend section 15, page 8, line 5, by deleting "(b)" and inserting "(c

Amend section 15, page 8, line 7, by deleting "(c)" and inserting "(c

Amend section 15, page 8, by deleting lines 15 and 16 and inserting:

"agency which is jointly supported by two or more local governments and for which a separate budget is prepared pursuant to this chapter i

Amend section 20, page 10, by deleting lines 34 through 37 and inserting: "which changes in enrollment must be calculated."

Amend section 20, page 10, by deleting lines 43 through 46 and inserting:

"(b) The amount calculated under paragraph (a) is multiplied by 80 percent of the average annual percentage of inflation or deflation for the 60 months preceding the month of November preceding the fiscal year for which the budget is prepared and this product is added to or subtracted from the amount calculated under paragraph (a)."

Amend section 20, page 11, by deleting line 8 and inserting: "for each school district. For the purposes of this section, "enrollment" means the sum of the particular counts of pupils enrolled in and scheduled to attend programs of instruction in the public schools described in subparagraphs (1) to (4), inclusive, of paragraph (a) of subsection 1 of NRS 387.1233."

Amend section 20, page 11, by deleting lines 10 and 11 and inserting:

"ment of Labor must be used in determining the percentage".

Amend the bill as a whole by adding a new section, designated section 21.5, following section 21, to read as follows:

"Sec. 21.5. NRS 387.1235 is hereby amended to read as follows:
387.1235 Local funds available are the [sum of:

1. The amount computed by multiplying .007 times the assessed valuation of the school district as certified by the department of taxation for the concurrent school year; and

2. The] proceeds of the local school support tax imposed by chapter 374 of NRS. The department of taxation shall furnish an estimate of [such] these proceeds to the state board of education on or before July 15 for the fiscal year then begun, and the state board of education shall adjust the final apportionment of the concurrent school year to reflect any difference between [such] the estimate and actual receipts."

Amend section 33, page 15, by deleting lines 17 and 18 and inserting:

"fund. All money received or collected by the department must be deposited in the state treasury for credit to the motor vehicle fund.

2. Any check".

Amend section 33, page 15, line 24, by deleting "2." and inserting "3.".

Amend section 33, page 15, line 29, by deleting "3." and inserting "4.".

1221

Amend section 33, page 15, line 32, by deleting "4." and inserting "5."

Amend section 33, page 15, line 33, by deleting "4." and inserting "5."

Amend section 33, page 16, line 3, by deleting "5." and inserting "6."

Amend section 33, page 16, line 17, by deleting "4." and inserting "5."

Amend section 33, page 16, line 18, by deleting "6." and inserting "7."

Amend section 33, page 16, line 25, by deleting "7." and inserting "8."

Amend section 34, page 16, by deleting lines 32 and 33 and inserting:

"agency fund. All money received or collected by the department must be deposited in the state treasury for credit to the motor vehicle fund.

2. Any".

Amend section 34, page 16, line 39, by deleting "2." and inserting "3."

Amend section 34, page 16, line 44, by deleting "3." and inserting "4."

Amend section 34, page 16, line 47, by deleting "4." and inserting "5."

Amend section 34, page 16, line 48, by deleting "4." and inserting "5."

Amend section 34, page 17, line 18, by deleting "5." and inserting "6."

Amend section 34, page 17, line 32, by deleting "4." and inserting "5."

Amend section 34, page 17, line 33, by deleting "6." and inserting "7."

Amend section 34, page 17, line 36, by inserting after "more" the words:

"[as determined by the last preceding national census of the Bureau of the Census of the United States Department of Commerce,]".

Amend section 34, page 17, line 37, by deleting the period and inserting:

". [as determined by that last preceding national census.]".

Amend section 34, page 17, line 38, by deleting "7." and inserting "8."

Amend section 37, page 18, by inserting between lines 48 and 49:

"5. The date for notifying a claimant pursuant to NRS 361.841 is

postponed to July 31, 1979, and the date for making a refund to a home renter is postponed to September 15, 1979."

Amend section 38, page 19, by deleting lines 1 and 2 and inserting "fund to the state distributive school fund:".

Amend section 38, page 19, line 47, by deleting ".41" and inserting ".42".

Amend section 39, page 20, by deleting lines 14 through 19 and inserting:

"Sec. 39. 1. This section and section 37 of this act shall become effective upon passage and approval.

2. Sections 1 to 36, inclusive, of this act shall become effective upon passage and approval for the purposes of preparing budgets and calculating levies.

3. For all other purposes:

(a) Section 12 of this act shall become effective at 12:01 a.m. on July 1, 1979;

(b) Sections 33 and 34 of this act shall become effective at 12:02 a.m. on July 1, 1979; and

(c) The remaining sections of this act shall become effective on July 1, 1979."