

MEMBERS PRESENT: Chairman Bremner
Vice Chairman Hickey
Mr. Bergevin
Mr. Brady
Mr. Coulter
Mr. Glover
Mrs. Hayes
Mr. Horn
Mr. Marvel
Mr. Rhoads
Mr. Robinson
Mr. Vergiels
Mrs. Westall

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci,
Deputy Fiscal Analyst; Mike Alastuey, Deputy
Budget Director.

Chairman Bremner called the meeting to order at 4:30 p.m.

SB 561 Provides balance for working capital for central data processing fund.

Mr. Gordon Harding, Administrator of Central Data Processing, stated that in this bill there is an appropriation of \$1,000,000 to Central Data Processing as a revolving fund. He said this is to help minimize the difficulties experienced by Central Data Processing from the lag of rendering service and receipt of money for that service.

SB 618 Increases post-retirement allowances of certain persons receiving disability or service retirement allowances from the public employees retirement system.

Mr. Warren Fowler, stated that this bill was written to take care of surplus funds that were developed when an appropriation was made by the Legislature in 1975. He stated that the bill provides for a \$30 per month increase to the current \$50 per month increase, which was passed by the 1975 Legislature for those persons who began drawing Public Employee Retirement benefits prior to July 1, 1963. He pointed out the original benefit was funded in 1975 by an appropriation of \$2,007,500.

He stated the Retirement System has realized a considerably better investment return than the 5% per year assumption on which the original appropriation was based. He said the surplus amounts to \$607,550 from which the additional \$30 per month benefit can be paid, and there is no new appropriation in the bill. He emphasized the fact that the increase will benefit only those who retired prior to July 1, 1963, of which there are less than 100 persons, mostly in their 80's or 90's and whose benefits are most in need of adjustment due to inflation.

Mr. Vernon Bennett, Executive Officer of the Public Employees Retirement System, stated that this bill is requested by Governor List.

Mr. Glover asked if this is the matter over which the PERS was sued. Mr. Bennett stated that this is not the same matter, the suit was filed over legislation that was passed in 1977.

AB 655 Broadens provisions for state medical aid.

Dr. Lon Hammergren, representing the spinal injury program of Nevada, testified in support of AB 655. He said that Nevada has a very high rate of spinal cord injuries. He said that this type of injury is very expensive, often costing \$50,000 or more to treat a spinal cord injury. He pointed out that early treatment and rehabilitation, maximizes the return of the injured to a productive life. He stated that federal funds are available immediately upon implementation of a state program.

Chairman Bremner stated that there are no funds available on the state level to implement such a program. He suggested that the bill be redrafted to read that such a program could be implemented upon receipt of state funds. He said it would be better to have the bill drafted with no monetary requests placed in it, that is no specific figure requested.

Dr. Hammergren requested passage of the bill with even no funding request, so that the total concept is here and available if funding should become available. He stated that he would attempt to have the bill rewritten to provide for such a program and return the following day to the committee with such a proposal.

SB 514 Provides for continuing education for district judges.

Mr. Bob Shriver, representing the Nevada Trial Lawyers Association, stated that this bill provides for continuing education for district judges and allows the Court Administrator to arrange for this education at the National Judicial College in Reno or such other appropriate judicial training program. He said this education is aimed primarily at each district judge elected or appointed after July 1, 1981, as well as the other district judges who desire such training. He indicated that the legislation also establishes the fund for the continuing education of district judges and appropriates \$27,000 for each of the next two fiscal years to this fund for the payment of this education. He said the measure as amended increases all non-criminal filing fees by \$1 which will provide more than sufficient money to be deposited in the state General Fund to pay for this education. He stated that the increased filing fees are expected to produce approximately \$35,000 per year in additional General Fund revenue.

Mr. Mike Brown, State Court Administrator, stated that the program is designed to help new judges first, with 1/3 of the judges going each year and receiving updated training.

Mr. Robinson asked if the judges are on full pay at the time they are attending the judicial college. Mr. Brown said that the newly elected judges will be taking the course before they are sworn in, so they would not be receiving pay.

Mr. Hickey asked how long the training programs last for the judges. Mr. Brown said there are 5 sets of training, the primary course lasting four weeks. He added that there are detailed specialty courses that are two weeks in duration.

SB 682 Requires peace officers to repay cost of training under certain circumstances.

Mr. Mike DeLatore, Director of the Department of Law Enforcement Assistance, stated that his Department has problems with this piece of legislation. He said they run training programs for many agencies, not just police agencies and it is not clear just which training programs would be covered.

Mr. Will Deese, Vice President of the International Union of Police, testified in opposition to SB 682 in its entirety. He said that they have problems recruiting individuals to attend the police academy and if this bill is passed, it will be a virtual impossibility to recruit and train good prospective police officers.

Mr. Bill Bunker, representing the Federated Fire Fighters of Nevada, stated that his organization is in opposition to this legislation because it would have a detrimental affect on the Department of Arson.

Mr. Jim Avance, Administrator State of Nevada Taxi Cab Authority, testified in opposition to SB 682.

Chairman Bremner stated that the proposed amendment totally revises the original bill to afford peace officer status to Clark County and Las Vegas Housing Board personnel when enforcing ordinances or regulations and investigating violations pursuant to business regulation and licensing activities.

SB 238 Provides for payments to local governments in lieu of taxes if state obtains title to or management of public land.

Mr. Dean Rhoads testified that SB 238, as amended, would require the state, if it obtains control over more than one-fifth of the public lands in Nevada, to pay to Nevada's local governments an amount equal to the payment the local government received under the federal in-lieu tax payment system. The funds would be derived from the revenues of the public lands over which the state has obtained control, and the amounts distributed to local governments would be dependent on the revenues that were generated from the public lands and the investment of these funds.

He added, as amended, this measure deletes a previously included contingent appropriation for in lieu payment to counties and provides that future in lieu payment from the state be equal to or more than the payments the local government would have received on the same land from the federal government.

He stated that on page 1, line 11, after "equal", the words "or more" should be inserted because the federal government is drastically reducing the payment in lieu. He added, that on page 2, line 34, remove the sum of "\$9,108,100" and insert the language that starts on page 10 after "Nevada" where it says "an amount equal or more to the payment the local government receives . . ." down to line 15.

Mr. Jack Shaw testified and stated that this legislation shows good faith in AB 413 and should be passed as amended.

Mr. Hickey asked if a time factor was involved in terms of getting money. Mr. Shaw stated there is no money transferred until such a time as the state is granted some lands from the federal government.

Mr. Robinson asked where the in lieu payments begin. Mr. Shaw stated that in lieu payments came in with the Organic Act in 1965. He added that lands offered to the state by the Federal Government must be accepted by the state but only with the concurrence of the Legislature.

SB 478 Makes appropriation from State General Fund to acquire Kahle property.

Mr. Ken Carr, Chairman of the Douglas County Board of Commissioners, testified in support of SB 478. He stated that this asks for an appropriation of \$2,550,000 to purchase the Kahle property at Lake Tahoe.

Mr. Carr stated that he had received word from Senator Laxalt that the \$12 million appropriation from the Federal Government would be reappropriated in California if somehow the State of Nevada was unable to get matching funds from one of its governmental entities.

Mr. Carr stated that the appraisal of the Kahle property was completed and Douglas County accepted an option to buy the property for \$7.6 million if the County would provide \$250,000 to retain this option.

He stated that the bill as amended, authorizes the sale of \$550,000 in bond proceeds from the balance remaining in the 1975 approved bond program for park land acquisitions. He said the proceeds of these bonds will be used along with \$2 million of additional bond proceeds to provide for the purchase of the Kahle property at Lake Tahoe. He went on to point out that the Douglas County Board of Commissioners entered into an option agreement to purchase the 25-acre Kahle property, thereby eliminating the approved development of a 1,000 room hotel, Oliver Casino.

Mr. Carr stated that the additional funding necessary for the acquisition of this property is expected to come from various funding sources; federal funds, private contributions, and matching fund requests to the State of California.

Mr. Hickey asked if the State of Nevada owed the same obligation to other people who own lots at Lake Tahoe. Mr. Carr stated that technically the same option is owed to all land owners at Lake Tahoe; adding that if the land is not used for a casino but is divided and sold per lot, the revenues would be \$47 million. Mr. Bergevin commented that the State of Nevada has a moral obligation to assist in the purchase of the Kahle property, as was demonstrated by a 39 to 1 vote at a special session of the Legislature.

Mr. Marvel asked how much would be received from the Burton-Santini Act if an appropriation could be obtained from Congress. Mr. Carr stated that it is possible to received up to \$150 million, 15 percent to the counties to be used for erosion control projects, mitigation projects.

Mr. Bill Morgan, Forest Supervisor of the Lake Tahoe Basin Management Unit at Lake Tahoe, representing Zane Smith, Regional Forester of the Southwest region, testified before the committee. He stated that the Federal Government has purchased the site across the street from the Kahle property and has restored it. He stated that the Forest Service endorses SB 478 and urges the support of the committee in passing the legislation.

Mr. Dennis Crabbe, City Attorney of South Lake Tahoe, California, testified that the City fully supports the legislation and added that a similar measure has been introduced in California and holds some hope of funds coming from California.

Mr. Mike Vanwagen, Executive Director of the Tahoe Sierra Preservation Council, representing the 3,000 property owner members of the Council. He testified in support of SB 478, stressing the strong feeling of the council to revert to more local control. He added that they support the TRPA case by case review which will provide funds for some erosion control projects in the Tahoe Basin.

Mr. William Killebrew, managing general partner of the Heavenly Valley Ski area, testified that the State has a true and open moral obligation to the actions of the special session to insure that the Kahle site is not lost, that the funds already expended by Douglas County are not lost, and in order to avoid federal interventionism in the State of Nevada, the funds must be expended as planned.

Mr. Robinson asked what the effect of passage of this legislation would be when other commercial property owners wanted the state to buy their property; where will it end. Mr. Carr responded that as long as the Legislature passes the laws, these types of land acquisitions will continue to occur, however, there is no more property in the area that is commercially zoned such as the Kahle property.

Mr. Bryce Wilson, a citizen of Douglas County, stated that he is in support of SB 478, adding that the property should be purchased by a public entity and retired from use as a possible casino site.

Mr. Rhoads asked if there was any way that Mr. Kahle could transfer the right from the present site to another site and again build a casino. Mr. Wilson stated that this is not possible, but a purchaser of the property could use the rights.

Mr. George Finn testified in opposition to SB 478, stating that there would be no impact on the sewage system or the water system in the basin. He pointed out that the casinos own the systems. He said the sewage capacity and water supply will be and is sufficient to accommodate the casino or housing development. Mr. Finn distributed an article to the committee, EXHIBIT A.

Mr. Matt Hellman, land owner, testified for the committee in opposition to the passage of SB 478. He stressed the importance of the fact that he is just one of the many land owners at Lake Tahoe who have property that cannot be built upon because of the TRPA restrictions. He said that this bill should be submitted to solve all of the problems at Lake Tahoe, not just the Oliver Kahle problem.

Senator Jacobsen addressed the committee and said that Mr. Finn's statements contain many inaccuracies. He said that the State of Nevada has a moral obligation to assist in the purchase of the Kahle property because of the vote of the Assembly in the special session of 39 to 1 to impose TRPA on Douglas County. He added that the Senate voted 18 to 2.

Mr. Marvel asked if the land is purchased by the State will it become a county park or a state park. Senator Jacobsen stated that with the use of park funds, it will become a state park.

Ms. Jerry Bing of Gardnerville presented a letter to Chairman Bremner from her father-in-law stating that he is opposed to the bill because Douglas County does not know where the other \$5 million is to come from.

SB 144 Certain provisions relating to public health.

Mr. Paul Cohen of the State Health Division, stated that SB 144 is a measure introduced by the Sunset Committee to re-establish the Bureau of Community Health Services. He said the Bureau was abolished as a result of the Sunset Legislation of the 1979 Legislature. He added that SB 144 re-establishes the Bureau of Community Health Services and allows the State Board of Health to set reasonable fees for a number of their licensing and service activities. He said these fees would be deposited to the credit of the state's General Fund and would be established on the basis of the service that is being delivered.

SB 683 Provides for reversion to state general fund of remaining balance of proceeds from sale of certain state land in Washoe County.

There was no appearance by anyone in support of or opposition to SB 683.

SB 664 Authorizes state land registrar to exchange certain real property near Nevada youth training center.

Mr. Jack Shaw of State Lands Division, stated that SB 664 authorizes the State Land Registrar to exchange a parcel of land of the Nevada Youth Training Center for a privately owned parcel of land adjacent to the Training Center's existing property boundaries. He said this exchange will allow the Youth Training Center to acquire 41.5 acres near the gymnasium in exchange for a smaller parcel of land that is closer to the town of Elko. He stated that the proposal is to exchange for equal value.

SB 629 Makes supplemental appropriation to Insurance Division of Department of Commerce.

Ms. Redman of the Insurance Division, stated that SB 629 was requested to make a supplemental appropriation to the Insurance Division of the Department of Commerce of \$10,000 for fiscal year 1980-81. She said the purpose of the appropriation is to fund the cost of insurance agent examinations for the balance of the year. She pointed out that examination fees are deposited in the General Fund and in turn appropriations are made in the budget to cover the cost of the examinations. She stated that this year the number of examinations exceeded those anticipated, requiring supplemental funds. She said this increase has resulted in a corresponding increase in the fees deposited to the General Fund.

SB 485 Clarifies term "continuous" as used in plan to encourage continuity of service.

Mr. Bob Gagnier, Executive Director of SNEA, stated that SB 485 is designed to clarify the definition of "continuous" as used in the current State Employees Longevity Plan. He said currently, there is some dispute over the exact meaning of the term "continuous" and SB 485 clarifies the issue by providing that an employee is not eligible for longevity payments who has interruption in his or her service.

SB 181 Limits use of federal money for foster children.

Mr. John Duarte, Acting Administrator of the Welfare Division, said SB 181 makes Nevada state law consistent with federal law as it relates to the use of federal money for foster children. He said the intent of the federal legislation is to require the states to develop foster placements within a certain time period and to prevent the state placement agency from retaining indefinite control over foster children. He said this is accomplished by aligning the state code with federal law through this legislation.

SB 497 Provides for immediate effectiveness of regulations, standards and policies concerning state Welfare Administration under certain circumstances.

Mr. John Duarte testified that this bill allows, in the case of cut backs from the federal level, the Director of the Department of Administration to stay within the limitations that are authorized by the Legislature.

SB 478

Senator Wilson commented regarding the Kahle property, stating that he hoped that the committee would go along with the funding of this project. He said the basin will just not tolerate another casino.

AB 429 Orders Division of State Parks of State Department of Conservation and Natural Resources to accept and maintain certain real property as state park.

Mr. Rhoads moved DO PASS AS AMENDED, seconded by Mr. Hickey. The motion carried unanimously, Bergevin, Westall, Horn, Vergiels, Brady absent.

The meeting was adjourned at 7:30 p.m.



Monday, May 18, 1981

Kahle casino parcel purchase too costly

SB
478

The State Senate recently passed a bill introduced by Sen. Lawrence Jacobsen of Minden that would provide for the issuance of \$2 million in bonds toward the purchase of the Oliver Kahle casino site near Stateline.

The measure is now in the Assembly Ways and Means Committee where it will be decided if the lower house wants to help out Douglas County which has paid a \$250,000 option toward the \$7.6 million price tag for the site on which Kahle had planned a 1,000-room hotel-casino. The Senate bill also provides for the allocation of \$550,000 of the proceeds of bonds earmarked for park purposes.

Douglas County officials have indicated the the county will build a jail and government offices as well as a park on the 20-acre parcel.

Douglas County's option on the property expired at midnight Friday, and Kahle is in the enviable position of being able to keep the \$250,000 paid for the option and sell the property to someone else, build on it himself or wait to see what the Assembly is going to do on the Senate bill.

We have no complaint with Oliver Kahle. He has been deprived of the use of his property for more than 10 years and has suffered the anguish of environmentalist interference from such groups as the Sierra Club, the League to Save Lake Tahoe, the Audobon Society, and the Tahoe Regional Planning Agency.

He has hired lawyers, planners, engineers and appeared in court innumerable times to protect his private property rights. The \$250,000 in option money is hardly enough to pay the lawyers, let alone his other expenses. And there is no way to compensate for the increase

sioned by the long delay. Kahle deserves every penny of the forfeited money should it come to that.

But, the environmentalists felt so strongly about the Kahle property becoming the site of another casino hotel that they have donated the grand sum of \$850 in the past year toward the county's purchase of it.

It is indeed unfortunate that the Douglas County commissioners voted to buy the option on such flimsy and speculative assurances to raise money from donations and legislative action both at the state and federal level.

The amount of hysteria concerning the environment at Lake Tahoe can only be expressed in the cost to the taxpayer. The bonds for the 20-acre Kahle site plus the yet undetermined interest could cost the taxpayer several million dollars.

If the casino were built, the county would benefit more than half a million dollars a year in tax revenue.

The taxpayers will receive nothing from the construction of public buildings. There is nothing but cost to the taxpayer if the county plans to acquire the Kahle site.

Douglas County currently owns a more than two-acre site at Lake Tahoe on Kingsbury Grade on which the county facilities could be built.

This is a time when the state needs new prison facilities, and state employees need a reasonable raise in salaries. There are education needs including those in the University of Nevada System.

It seems to us that these needs should be addressed first, and the purchase of the Kahle property by the taxpayers should not come

DATE: May 28, 1981
4:30 Meeting

WAYS AND MEANS COMMITTEE

GUEST LIST

NAME (PLEASE PRINT)

REPRESENTING:

Jim AVANCO
Will Drees
Bill Bunker
Warren T. Fowler
Gordon Harding
John R. Duarte
Paul Cohen
Frank Holzhauser
Jack R. Shaw
Jim [unclear]
Dennis Crabb
Tom [unclear]
St. Hart
BILL MORGAN
William Killebrew
F.R. BREEN

State Taxiers Authority
International Police Union
Federated Fire Fighters
Retired Public Employees of Nevada
CENTRAL DATA PROCESSING
Welfare Division
Henry Duvon
Human Resources
State Land
SPINAL INJURY PROGRAM OF NEVADA
City of South Lake Tahoe
Douglas County
Heavenly Valley Ski Area
U.S. FOREST SERVICE
Heavenly Valley SKI AREA
Oliver Kahl