

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON FINANCE

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
February 23, 1981

The Senate Committee on Finance was called to order by Chairman Floyd R. Lamb, at 8:00 a.m., Monday, February 23, 1981, in Room 231 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Floyd R. Lamb, Chairman
Senator James I. Gibson, Vice Chairman
Senator Eugene V. Echols
Senator Lawrence E. Jacobsen
Senator Norman D. Glaser
Senator Thomas R. C. Wilson
Senator Clifford E. McCorkle

STAFF MEMBERS PRESENT:

Ronald W. Sapzks, Chief Fiscal Analyst
Dan Miles, Deputy Fiscal Analyst
Candace Chaney, Secretary

Senator Gibson asked the committee to consider two Bill Draft Requests:

1. Bill Draft Request No. S-1078 - Supplemental appropriation of \$4,733 for Youth Services Division
(S.B. 277)
2. Bill Draft Request No. S-1088 - Expenditures for capital improvements to state parks for improvement of boating and outdoor recreation. (\$500,000)
(S.B. 276)

Senator Jacobsen moved to approve for introduction Bill Draft Request No. S-1078 and S-1088.

Senator McCorkle seconded the motion.

The motion carried unanimously.

Mr. Howard Barrett of the Budget Division noted that new revenue projections had been made. The primary changes had to do with a 13% increase in the gaming tax rather than the projected increase of 5%.

ASSEMBLY BILL NO. 34 - Exempts persons who fill elective public offices from disqualification for allowances under public employees' retirement system.

Mr. Vernon Bennett, Executive Officer of the Public Employees' Retirement System (PERS), provided testimony on Assembly Bill No. 34.

The Chairman asked Mr. Bennett what the fiscal impact of this bill would be on the retirement system. Mr. Bennett replied that there would be no fiscal impact whatsoever. He noted that the limit a PERS member presently may earn without forfeiting retirement was \$4,300; this bill would raise that limit to \$6,000.

Senator McCorkle inquired of PERS if they had the same clause as Social Security where an individual is penalized from working as they would lose their Social Security benefits. Mr. Bennett said there were two major differences. The

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PERS system allowed a retired member to work anywhere that was not in the PERS field of membership without any restrictions. The only restriction that PERS made was if an individual came back to work in a position covered for membership; that is totally prohibited.

The Vice Chairman asked Mr. Barrett if this bill had been combined with Senate Bill No. 56. Mr. Barrett stated that the recommendation was to do so. He added that his division would like to have Assembly Bill No. 34 be the only bill on retired employee employment to eliminate conflicts.

Senator Gibson inquired if PERS had any objection to make the bill effective on passage and approval. Mr. Bennett suggested that the bill be effective January 1, 1981, which would cover the legislative session. Senator Gibson noted that the bill in its present form did not state that. Mr. Bennett recommended, if agreeable, the bill would be resolved by making effective January 1, 1981.

Mr. John Crossley, Legislative Auditor, made recommendations to the committee concerning Assembly Bill No. 34. Mr. Crossley's recommendation was to combine Senate Bill No. 54 with Assembly Bill No. 34. He felt there should be an amendment to the bill to provide that when individuals are employed by either house of the legislature, it would apply exclusively to the attaches. Mr. Crossley noted that the bill would only apply during the legislative session.

Mr. Bennett indicated that his Board had already approved the legislation.

Senator Lamb asked why the attaches had not been included for so many years. Mr. Crossley said he did not know the reason. He added that he was trying to get the language of the bill squared away so these problems would not be encountered in the future.

SENATE BILL NO. 113 - Removes conflicting and duplicative statutory provisions respecting purchase of service credit under Public Employees' Retirement System.

Mr. Vernon Bennett testified in support of this bill. He noted that the bill provided technical corrections as determined by the Legislative Council Bureau. He said PERS supported these amendments and did not change in any way the contents or benefits of the system.

Senator Gibson inquired as to the cost of the actuarial computation. Mr. Bennett remarked that a 1975 law was established to set the cost of \$10 per computation per individual and the retirement system through the PERS budget.

SENATE BILL NO. 206 - Makes appropriation to develop computerized tracking and accounting system for clients of the Nevada Mental Health Institute.

Mr. Gordon Harding, Administrator of Central Data Processing, testified in support of Senate Bill No. 206. Mr. Harding noted that two sessions ago, the legislature appropriated money for the development of a client tracking and accounting system for the Mental Health Institute. He said those monies were reverted in total because the various mental health organizations could not agree on a common system to be implemented throughout the State. He indicated that the mental health organizations had now agreed on a common system, and were now requesting monies for the job originally intended to be done four years ago.

Mr. Harding stated the basic system would include both a client accounting, and, a client tracking system. He said it was intended that the system be implemented in the Nevada Mental Health Institute and at the Children's Behavioral Services center in Reno. Mr. Harding noted the basic pay-out for this system came from the current inability to recover all accounts receivable that were associated with that particular operation. He indicated that with a mechanized accounting system, it would allow immediate billing to clients and the tracking of that billing. He said the State could recover an additional \$50,000 a year from clients served by those particular facilities. An appropriation of \$124,300 was being requested to develop the system and operate it through the biennium. He noted with the

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\$50,000 additional recoveries, the pay-out for this particular project would be in approximately 2½ years.

Mr. Harding said the intent was that once the system had been placed in operation in Northern Nevada, it would then be put into operation in all of the mental health institutions in the State. He concluded that this project would help enable the Mental Health Institute to perform an optimal job in the service of their clients.

Senator McCorkle asked if an additional appropriation for the balance of the mental health institutes would be needed. Mr. Harding indicated it would not be needed at the present time. He said basic client information for each institutions would have to be captured which would require a nominal sum for each institution.

Senator McCorkle asked the number of clients this system would cover. Mr. Bob Guernsey, Business Manager for the Northern Mental Health Agencies, noted at the Nevada Mental Health Institute, alone, admissions on a yearly basis were around 900 to 1,000. He stated the appropriation would also include the Reno Mental Health Center and the Lake's Crossing facility which would bring the total number of clients to between 1,200 and 1,300 per year. He remarked that on a Statewide basis, that figure would probably be doubled.

Senator McCorkle inquired as to why the agencies were not collecting the \$50,000 in accounts receivable at the present time. Mr. Guernsey indicated it was impossible to collect those bills manually. He added that many of their clients moved repeatedly once they had left the in-patient system, their addresses changed frequently causing much difficulty in the tracking of the clients, much less the mailing out of bills. He stated the implementation of the new system would enable the institutes to start good management practices in the collection of bills due the agency.

Senator Echols asked how the computer system was going to help in the collection of bills. Mr. Guernsey said more information would be available to them, plus the ability of processing that information rapidly. Mr. Harding noted that sometimes, one would find that the accounting personnel and the individuals treating the clients did not interact as well as they should. He added that there were times when the accounting staff were not even aware a service had been performed.

Senator Wilson commented that he did not understand Mr. Harding's last statement. He asked if the lack of interaction constituted the problem of collecting accounts receivable. Mr. Guernsey said the information did get to the correct departments but not always in a timely manner. He felt the communications between the clinic staff and the business staff were good and improving all the time.

Senator Wilson asked if the computer was to be installed in the business office. Mr. Harding said it was.

Senator McCorkle remarked that in his opinion, there was a weakness in their system and staff should have been requested initially. Then, he added, the excess number of staff could be trimmed back later with the implementation of automation. Mr. Guernsey said Senator McCorkle was correct in the case of several years ago. He felt that at the present time, the organization would obtain greater benefits by starting to automate now with the use of existing staff.

Senator McCorkle inquired if the audit that recently took place at the institutes brought out this problem. Mr. Guernsey said the results of the audit were not out as yet. He noted that the auditors did feel the organization was carrying an unrealistic amount of accounts receivable and automation was in order.

Senator Jacobsen inquired if the new system could be handled without additional employees or equipment. Mr. Harding said both were items included in the budget

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and there were sufficient staff to handle the application.

The Chairman commented that staff should be cut back since the system would lessen the workload of the present staff. Mr. Guernsey said that many times computer systems were sold with the implication that they would reduce staff, but he had never seen that happen in reality. He thought the system would improve efficiency and improve collections.

Senator Jacobsen noted a report made to the legislative commission and approved by them, to set a three to five year audit cycle for agencies. If an agency required an audit sooner, then the commission would direct them to do so.

Senator Echols asked if the costs would be the same in Statewide application. Mr. Harding noted the only additional costs would be attributed to the implementation of other organizations with regard to the conversion costs of the manual systems to the single automated system.

Senator Echols asked if Mr. Guernsey was familiar with all the conditions in Report No. 42 regarding the Reno Mental Health Center. Mr. Guernsey said he was familiar with those conditions. He noted that all services were now consolidated under one business manager and one administrator. At the time of the audit the agencies ran independently of one another.

Senator Jacobsen inquired as to how the determination was made for the \$124,000 appropriation requested. Mr. Harding said the appropriation was comprised of two parts: \$85,000 to develop the system and \$40,000 to operate the system for the biennium. He added that the full amount might not be spent if they could find an existing system that could be transferred into the State.

Senator Jacobsen then asked if \$40,000 more would then be requested in the future. Mr. Harding said the agency was looking at \$40,000 in operating costs on a continuing basis.

SENATE BILL NO. 207 - Makes appropriation for development of computerized system of filing and retrieval for Division of Water Resources of State Department of Conservation and Natural Resources.

Mr. Gordon Harding testified in behalf of this bill. He noted that the bill covered an appropriation to Central Data Processing to develop an automated filing and retrieval system for Water Resources. He said the State currently had some 50,000 groundwater rights and were presently 7,000 applications per year. He commented that the present situation had become literally impossible for the State to adequately process the applications and maintain a total inventory of water resource rights on a manual basis.

Mr. Harding stated the appropriation was for \$52,800; \$35,000 to develop the system and \$27,000 for operation during the biennium.

Mr. William J. Newman, State Engineer, and Mr. Peter Morros, Assistant Director of the Department of Natural Resources and Conservation, introduced themselves to the committee and presented testimony in support of Senate Bill No. 207.

Mr. Newman noted the system would increase administrative capacity for more timely decisions by having current data on hand. He added that the information provided by the new system could be used by all branch offices.

Senator Wilson asked if the new system would provide the division with all they needed with regard to computer capabilities. Mr. Morros said it would take time getting the new system charged, but once started, it would be much easier to keep up-to-date. He noted that the greatest benefit of this program would be to provide the State Engineer with the basic information he needed for more expeditious decisions. He commented that it may, in the future, be appropriate to expand the program.

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Senator Glaser noted that Senate Bill No. 207 was an outgrowth of the water study done by The Legislative Council Bureau under Assembly Concurrent Resolution No. 46.

Senator Jacobsen asked if there was a malfunction of the computer, would all records be lost. Mr. Harding said no, records were protected in multiple fashion.

ASSEMBLY BILL NO. 78 - Authorizes certain uses for park bonds and relaxes the requirement for local matching.

Assemblyman Paul May, representing the Government Affairs Committee, testified in support of this bill. He remarked that his committee felt that Senate Bill No. 577 contained ambiguity within its interpretation as to the use of bonds. He said Assembly Bill No. 78 proposed to clarify that position.

Mr. John Meder, Administrator of the Division of State Parks, also testified as to his opinion that the bill was not really necessary but had no objection to its approval.

Senator Wilson asked how the ambiguity problem had been raised by local government. Mr. May said the cities and counties wanted to clarify exactly what "in-kind" matching meant. This bill defines the matching as labor, materials, and land. It eliminates any question of in-kind matching.

Senator Glaser inquired as to how much money was left in the park bond issue. Mr. Meder replied there was \$2.66 million dollars remaining for the local government share, and \$718,000 for the State park portion that had not been sold.

Senator Echols noted that from lines five to eight in the bill, there was nothing indicating "park purposes". He inquired if there should be such in the bill. Mr. Meder thought the original law would take care of that since it included the specific purposes of the monies. He noted the approval of this bill would amend a law which already mentions the specific purposes of the funds.

Senator Echols felt the wording might be construed as to the Parks Division using the monies for any acquisition or improvements and thought "park purposes" should be in the bill. Mr. Meder felt the first part of the bill was redundant to the existing legislation and added if the committee through rewording was appropriate, it would not hurt anything.

Senator Lamb asked permission from the committee to deviate a moment from the topic under discussion in order to question Mr. Meder concerning another matter.

Senator Lamb: Are you still harassing those people in Lincoln County on the condemnation situation in Eagle Valley.

Mr. Meder: Yes. The condemnation is still in effect.

Senator Lamb: Why don't you let them alone.

Mr. Meder: I think we have discussed this before. Originally in 1977, the legislature gave the division authorization to acquire those properties. Condemnation action was filed. It was reviewed again in the 1979 session; there was a resolution introduced which would have withdrawn that authority. That resolution died in committee. We reviewed it, not only with the Director of the department, but with the Governor's office. And, we felt since the legislature gave the original authorization and did not withdraw it, that we had no other choice.

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Senator Lamb: I think you have another choice, and don't kid me about how the resolution was defeated. You pulled all the strings you could with all the help you could get to defeat it.

Mr. Meder: No, I didn't talk to anyone about it.

Senator Lamb: I think it is the most improper thing I have witnessed from the State level. Of all the bureaucracy, to come in there and tell people that they have to get off of a piece of property. They do not want to move; they want to be left alone and for the Parks Division to continue to fight with those people, and to continue to harass them. It is not just stopping there, you are going on and trying to acquire more.

Mr. Meder: No, sir.

Senator Lamb: What about that Japanese lady.

Mr. Meder: That was part of the original authorization.

Senator Lamb: The whole of Lincoln County is up-in-arms about this situation. It is a very serious situation with me. I know those people, I lived in that county and was their County Commissioner for ten years.

Senator Wilson: Would someone state the problem so I would understand what it was.

Mr. Meder: We were given authorization in 1977 to acquire some property in Spring Valley State Park. The property that we were acquiring was in three parcels that are located between two portions of the park. We have the reservoir at one end and the "7-L" Panch was acquired on the upper end of the park. There are some private holdings between those two portions of the park. We are trying to acquire those to consolidate the park holdings.

Senator Lamb: How many acres are you talking about.

Mr. Meder: I believe there are a couple hundred of acres there.

Senator Lamb: I think there are a lot more than that.

Mr. Meder: No, I don't believe so.

Senator Lamb: Anyway, it is those people's livelihood and their homes and you are just trying to throw them out. I do not think that is morally right. Legally, you may be right.

Senator Glaser: Could Mr. Meder come back in and bring a map of the disputed area?

Senator Lamb: I am not going to walk away from this session like I did last time and leave this situation hanging. Yes, I do think he should bring a map before the committee. I know the area by heart and Senator Blakemore is sitting in the meeting upset about the same problem. It is a really serious problem. Those are fine people out there.

Senator Wilson: Is this a case where the threat of eminent domain is being applied where power or authority does not exist; where an appropriation has not been made?

Mr. Meder: No, we are legal with everything we have done.

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Senator Lamb: The people do not want to sell their land, they want to be left alone. The division has got more parks than they can acquire. Sell Lamb Park and do something with it. I believe that when people want to be left alone, they should be left alone and live the way they want to live. The same families have lived there for many generations. Morally, it is wrong.

Mr. G. P. Echeverria, representative of the Nevada League of Cities, presented testimony in support of Assembly Bill No. 78. He felt the bill solved the problem of interpretation and that the Nevada League of Cities highly endorsed the bill.

Mr. Bob Sullivan, representative from the Carson River Basin Council of Governments, testified in support of Assembly Bill No. 78.

Mr. Glen Fennell, Carson City Planner, testified that he also endorsed the approval of Assembly Bill No. 78.

Senator Wilson addressed the committee noting that he had asked Mr. Paul Cohen and Mrs. Myrl Nygren to present to the committee, at his request, a proposal for the containment of increased medical costs. Mr. Cohen, Administrative Health Services Officer of the State Division of Health, noted that there were members of the audience who were involved with the proposal and would be glad to answer any questions the committee had. (See Exhibit E.)

Senator Wilson asked Mr. Cohen to define the problem and briefly define the proposal. Mr. Cohen said the problem consisted of escalating medical costs in a large portion of agency budget requests which resulted in the need of medical cost containment.

Mr. Cohen said the proposal they were submitting was under NRS 679B.120 or 679B.150 which is under the auspices of the Insurance Commissioner to authorize that Commissioner to let a Request for Approval for a two year medical utilization review study of active Nevada State employees and their dependents insurance claims. He noted that, at present, the State pays a \$9,000,000 premium for State Employees.

Mr. Cohen estimated that the study would cost \$200,000 per year, or, \$400,000 over the biennium. He noted there might be the possibility of a legal implication on whether or not the use of names would constitute a violation of confidentiality.

Senator Wilson asked what had to be done specifically with respect to the proposed study if the committee chose to pursue it. Mr. Cohen stated in the Request for Proposal, a cost per claim could be established. A community profile also could be established as part of the contractor's task to find out what were the ranges of medical costs in a community. Mr. Cohen noted if the study was to be carried further, other types of contractual services might be obtained.

Senator Wilson queried Mrs. Nygren as to whether she thought this proposal was justified at the expense of a \$400,000 investment. Mrs. Nygren felt that the review would probably end up as a savings to the State. She noted that if one can control the utilization of services, it should be possible to reduce the premium the State is paying for each employee covered under the program. She said it might take time to demonstrate that fact, but if the utilization of the insurance plan is allowed to deny payment for services that were inappropriately rendered or unnecessary, premiums paid by the State should drop.

Senator McCorkle inquired as to the end result of the program was. Mr. Cohen stated that once the cost per claim was established, those figures would be used to justify to the insurance carrier a lower premium per recipient.

Senator McCorkle asked if the committee was going to look for alternative coverages, self insurance, for example. He said if the proposal went that far, he would support it. He stated he would not support the program if it was merely an

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exercise where the State would challenge the insurance companies and not get any result. He felt that Nevada was not being overcharged in comparison to other states.

Mrs. Nygren said that utilization review did not just address overcharging. The review would address whether the service was necessary in the first place, if it was appropriate. She noted that some states had realized savings in their Medicare/Medicaid programs, those being the only programs presently to have undergone utilization review. Costs were contained especially in the patient length-of-stay category.

Senator Echols inquired as to whom the State's insurer was. Dr. Al Stoess, Chairman of the Committee on Group Insurance said the insurer was Continental Assurance Company.

Senator Lamb asked Mrs. Nygren as to her opinion of the State becoming self insured. Mrs. Nygren thought it would almost be worth the risk if the necessary controls for utilization review could be put in to deny unnecessary services.

Mrs. Nygren introduced Mr. Jim Schofield, a representative of Automated Administrative Services of Nevada, Inc., to the committee. Mr. Schofield proposed to change some of the wording in the Nevada Revised Statutes to implement cost containment of medical services (See Exhibit E.)

Mr. Jim Hand, Executive Director of the Nevada Professional Standards Review Organization (PSRO), and Dr. Don Molde, Medical Director of PSRO, were presented to the committee to discuss utilization review.

Mr. Hand noted that PSRO was a private Nevada corporation comprised of physicians who were contracted by the Federal government to perform utilization review in hospitals for the Medicare/Medicaid programs. The impact of the review was in the area of use of less hospital care; the use of alternatives to hospital in the provision of necessary services. He noted that civil immunity was needed for anyone performing review under that type of program.

Senator Gibson commented that "defensive" medicine was becoming more prevalent which resulted in physicians required more medical tests. He said a problem had developed in the last few years regarding legal exposure on malpractice, etc. He asked if there was anyway to address that problem. Dr. Molde stated from the review standpoint, the way the Federal law was designed, the reviewers had not necessarily felt adverse in making comments about the utilization practices in the hospitals.

The Vice Chairman remarked that he knew of some procedures that would not be paid for by insurance if performed out-patient, but would if performed in-patient. Mr. Hand said that was a problem. He stated the utilization review program would not work where the benefit structure was asked to provide higher benefits to the hospitalized patient than the out-patient program.

Senator Lamb asked if a self insurance program could be established to take care of the problems presently under discussion. Mr. Hand said a policy could be written anyway the State wanted it.

The Chairman inquired if there was any solution as far as the problems of spiraling medical costs were concerned. Mrs. Nygren thought if the health insurance programs that were offered by medical insurance companies would change, there might be an overall change. She said more out-patient care programs were needed.

SENATE BILL NO. 79 - Amends Act adding two judges to Second Judicial District.

Senator Wilson provided testimony concerning this bill. He said two years ago, the legislature processed a bill from the Assembly providing for two additional judges for Washoe County. The voters disapproved a constitutional amendment in November 1980 which would have allowed the filling of these positions. The amendment contained a number of provisions relating to staggered terms, etc. which did not have anything to do with the additional two judges. Senator Wilson stated the amendment also removed, in express terms, the language contained in the constitution which would require that there be a death, retirement, or disability thereby creating the vacancy. He said the result was that the two judges were never appointed.

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Senator Wilson stated that Senate Bill No. 79 was to simplify the original bill to get the two judges appointed.

Senator Gibson asked what it was, in the constitution or elsewhere, that required special events to take place before newly created positions could be filled. Senator Wilson replied the constitutional provision required a vacancy. He noted the issue was whether legally when the vacancy was created, the seat could be created.

The Vice Chairman felt it should be stated in the law that the legislature hereby declares that those seats are vacant. He thought that Senate Bill No. 79 did not state what Senator Wilson wanted it to.

Senator Jacobsen asked if the same problem occurred in Southern Nevada. The Vice Chairman said it would be occurring there. Senator Gibson noted that possibly this problem should be headed to the courts to get a definition on what constituted a vacancy.

Senator Lamb and Senator McCorkle both concurred that the language of this bill was confusing as stated.

The committee agreed to invite Mr. Frank Dayken to address the members at a later date to discuss Senate Bill 79.

SENATE BILL NO. 204

Senator Jacobsen moved that Senate Bill No. 204 be approved.

Senator Glaser seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 78

Senator Gibson moved to amend Section Five of Assembly Bill No. 78 to include the words "park improvements" and "park land acquisition" with a comma following "acquisition".

Senator Jacobsen seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 78

Senator Gibson moved that Assembly Bill No. 78 be approved as amended.

Senator McCorkle seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 207

Senator Wilson moved that Senate Bill No. 207 be approved.

Senator Glaser seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 206

Senator Wilson moved that Senate Bill No. 206 be approved.

Senator Gibson seconded the motion.

The motion carried. (Senator Echols voted "No")

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SENATE BILL NO. 113

Senator Glaser moved that Senate Bill No. 113 be approved.

Senator Echols seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 34

Senator Gibson moved to amend Assembly Bill No. 34 by incorporating Senate Bill No. 54 into Assembly Bill No. 34 to make one bill and to include the amendments recommended by Vernon Bennett and John Crossley.

Senator Wilson seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 34

Senator Wilson moved that Assembly Bill No. 34 be approved as amended.

Senator McCorkle seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 209

Senator Jacobsen moved that Senate Bill No. 209 be approved.

Senator Glaser seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 210

Senator Wilson moved that Senate Bill No. 210 be approved.

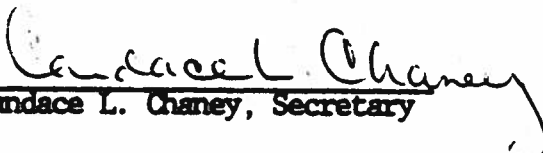
Senator Jacobsen seconded the motion.

The motion carried unanimously.

Senator Wilson inquired as to the committee's wishes on the medical cost containment proposal. Senator Lamb told Senator Wilson to pursue the issue a little longer.

There being no further business, the meeting adjourned at 10:15 a.m.

Respectfully submitted by:


Candace L. Chaney, Secretary

APPROVED BY:


Senator Floyd R. Lamb, Chairman

DATED: 3/5/81

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231
Day (See Below), Date (See Below), Time 8:00 a.m.

MONDAY, FEBRUARY 23, 1981 ✓

- A. B. 34 - Exempts persons who fill elective public offices from disqualification for allowances under public employees' retirement system.
- S. B. 56 - Allows certain persons to obtain benefits from Public Employees' Retirement System while employed during legislative session.
- S. B. 113 - Removes conflicting and duplicative statutory provisions respecting purchase of service credit under Public Employees' Retirement System.
- ~~S. B. 196 - Creates process for competitive bidding to provide services proposed by Department of Human Resources~~
- S. B. 206 - Makes appropriation to develop computerized tracking and accounting system for clients of Nevada Mental Health Institute.
- S. B. 207 - Makes appropriation for development of computerized system of filing and retrieval for Division of Water Resources of State Department of Conservation & Natural Resources.
- A. B. 78 - Authorizes certain uses for park bonds and relaxes the requirement for local matching.

S.B. 79 - Amends Act adding two judges to Second Judicial District
TUESDAY, FEBRUARY 24, 1981

State Department of Education (except Distributive School Fund) (Pg. 261-305)
(Ted Sanders)

WEDNESDAY, FEBRUARY 25, 1981

Distributive School Fund (Pg. 270 - Ted Sanders)

THURSDAY, FEBRUARY 26, 1981

1. Commission of Postsecondary Education (Pg. 306 - Merlin Anderson)
2. Nevada Department of Museums and History (Pg. 312 - Jack Porter)
3. Nevada Historical Society (Pg. 314)
4. Nevada State Museum (Pg. 316 - Scott Miller)
5. Lost City Museum (Pg. 319)
6. Nevada State Museum - Las Vegas (Pg. 322)
7. Virginia and Truckee Railroad Museum (Pg. 806)

FRIDAY, FEBRUARY 27, 1981

1. Nevada State Library (Pg. 324 - Joe Anderson)
2. Library Center for Cooperative Library Services (Pg. 328 - Joe Anderson)
3. Archives (Pg. 330 - Joe Anderson)
4. Library Service Improvement Program (Pg. 332 - Joe Anderson)

PROJECTIONS OF GENERAL FUND CASH BALANCES

Cash Balance July 1, 1978		\$ 74,805,265
Income 1978-79	\$300,941,797	
Reversions 1978-79 Regular	45,034,530	
Appropriations for 1978-79	(241,376,950)	
1979 Legislative General Fund Appropriation	(90,664,108)	
Adjustments to Fund Balance	(743,920)	
Cash Balance July 1, 1979		\$ 87,996,614
Income 1979-80	\$322,356,013	
Adjustment to Prior Year Fund Balance	942,922	
Reversions	10,602,316	
Appropriations for 1979-80	(354,871,663)	
80-81 Appropriations moved to 1979-80	(882,500)	
Cash Balance July 1, 1980		\$ 66,143,702
Income 1980-81 (estimated)	\$337,021,257	
Reversions (estimated)	16,600,000	
Appropriations for 1980-81	(347,562,475)	
Less 80-81 Appropriations moved to 1979-80	882,500	
One-Shots	(13,022,969)	
Contingency Funds Replenishment	(5,780,466)	
Supplemental Appropriations	(16,680,029)	
Capital Improvement Appropriations	(7,693,800)	
Appropriations for 81 Legislature Session	(3,000,000)	
Cash Balance July 1, 1981		\$ 26,907,720

Cash Balance July 1, 1981		\$ 26,907,720
Income 1981-82 (estimated)	\$ 376,957,678	
Reversion Sports Pavillion	\$ 5,500,000	
Appropriations for 1981-82	(\$ 369,964,050)	
Cash Balance July 1, 1982		\$39,401,348
Income 1982-83 (estimated)	\$ 406,431,717	
Appropriations 1982-83	(\$ 403,578,401)	
Cash Balance July 1 - 1983		\$42,254,664

Interim Finance Contingency Fund, Emergency Fund, State Claims, Statutory Contingency Fund.

Revised February , 1981

GENERAL FUND REVENUES - A Detailed Comparison of Actual General Fund Revenues with Projected Existing Revenues for 1978-80 and 1980-81

	<u>Actual</u> <u>1975-76</u>	<u>Actual</u> <u>1976-77</u>	<u>Actual</u> <u>1977-78</u>	<u>Actual</u> <u>1978-79</u>	<u>Actual</u> <u>1979-80</u>	<u>Estimated</u> <u>1980-81</u>	<u>Estimated</u> <u>1981-82</u>	<u>Estimated</u> <u>1982-83</u>
TAXES								
Property Tax	\$ 8,359,232.70	\$ 9,137,289.00	\$ 10,287,724.94	\$ 10,954,616.01	\$ 191,309.81	\$ 10,000	\$ 0	\$ 0
Sales and Use Tax	65,823,561.93	77,020,013.60	95,197,898.30	116,459,248.63	122,008,661.09	129,263,000	151,440,000	160,957,000
Gaming - State	67,174,693.66	74,937,258.87	90,873,176.00	111,902,920.52	127,537,023.78	137,416,123	153,518,498	174,492,267
Gaming - County Tax	1,891,287.50	2,096,786.50	2,269,738.85	2,644,830.75	719,677.88	8,400	0	0
Liquor Tax and Licenses	7,716,735.37	8,363,759.06	8,862,911.63	8,882,575.90	8,787,213.34	9,085,378	9,381,011	9,686,631
Insurance Tax	6,001,728.10	7,270,053.19	9,179,871.51	10,790,557.82	11,923,750.63	13,354,000	14,956,000	16,750,000
Casino Entertainment Tax	11,212,410.80	12,997,927.01	14,199,758.48	16,864,726.73	19,655,857.23	18,500,000	24,500,000	23,500,000
Real Estate Transfer Tax	796,194.64	1,187,200.23	1,984,843.72	2,389,569.51	36,518.52	0	0	0
Laetrile & Gerovital Mfg. Tax	0	0	0	18,315.01	38,240.22	120,000	132,000	145,000
Sub-Total Taxes	\$168,975,844.70	\$183,010,287.46	\$232,855,923.43	\$280,807,380.88	\$290,898,252.50	\$307,756,901	\$353,927,509	\$385,530,898
LICENSES								
Banking	\$ 71,726.51	\$ 77,312.58	\$ 89,301.05	\$ 106,966.78	\$ 158,384.88	\$ 160,000	\$ 180,000	\$ 200,000
Credit Union	0	0	0	0	0	0	115,000	130,000
Insurance Licenses	339,525.16	356,769.20	380,296.08	404,678.42	442,390.12	445,000	470,000	495,000
Marriage Licenses	412,083.00	419,115.00	415,002.00	452,213.00	424,297.00	455,000	460,000	470,000
Small Loan Licenses	22,460.00	21,360.00	20,565.00	34,310.00	33,240.00	35,000	36,000	37,000
Corporation Licenses	871,593.75	1,122,851.00	1,761,116.51	2,088,256.72	2,222,527.25	2,200,000	2,300,000	2,400,000
Secretary of State Fees	128,846.02	140,839.63	176,768.24	202,853.56	226,796.64	210,000	215,000	220,000
Private School Licenses	2,089.00	2,355.00	4,385.00	7,451.00	6,610.00	8,000	8,000	8,000
Savings, Loan - Licenses, Fees	237,595.67	288,583.64	362,693.03	468,666.22	535,392.16	569,000	580,000	590,000
Real Estate Licenses and Fees	191,762.33	234,029.58	793,000.00	277,182.89	301,304.24	300,000	658,427	658,427
Private Employment Agencies	5,750.00	7,200.00	6,500.00	7,350.00	7,250.00	7,000	7,000	7,000
Milk Testers Licenses	0	10.00	30.00	120.00	110.00	0	0	0
Drug Licensing Fees	0	0	0	30,438.00	0	0	0	0
Athletic Fees	0	0	0	0	333,530.35	400,000	400,000	400,000
Sub-Total Licenses	\$ 2,283,431.44	\$ 2,670,425.63	\$ 4,009,656.91	\$ 4,080,486.59	\$ 4,691,832.64	\$ 4,789,000	\$ 5,429,427	\$ 5,615,427
FEES AND FINES								
Bureau of Certification	\$ 8,362.00	\$ 9,199.00	\$ 9,986.00	\$ 9,230.00	\$ 23,435.00	\$ 28,000	\$ 40,000	\$ 40,000
Vital Statistics Fees	34,741.45	31,266.68	34,533.67	36,244.47	46,375.19	40,000	110,000	125,000
Divorce Fees	20,972.00	24,179.00	52,215.00	27,677.00	60,113.00	58,000	60,000	63,000
Civil Action Fees	304,781.50	293,832.00	308,880.75	355,822.00	345,326.00	380,000	400,000	440,000
Insurance Examination Fees	18,499.00	18,701.00	20,043.00	19,168.00	27,805.00	20,000	20,000	20,000
Insurance Fines	20,600.00	13,700.06	12,355.00	10,010.51	12,400.00	30,000	13,000	13,000
State Engineer's Fees	27,065.69	44,610.63	63,174.95	62,171.31	67,913.82	65,000	65,000	65,000
Supreme Court Fees	12,420.00	12,705.00	14,937.50	17,787.50	17,948.15	17,000	17,000	17,000
Real Estate Fees	51,056.25	39,675.20	42,028.00	30,912.00	40,598.00	35,000	37,400	37,400
Financial Agent Fees	11,642.04	11,985.00	11,325.00	31,072.50	20,915.00	34,000	36,000	38,000
Dairy Commission Special Fines	0	104,575.33	14,374.67	0	0	0	0	0
Lobby Fines	0	2,425.00	0	0	0	0	0	0
Drivers License Fees	0	0	0	0	888,250.50	899,000	1,480,000	1,125,000
Sub-Total Fees and Fines	\$ 510,139.93	\$ 606,853.90	\$ 583,853.54	\$ 600,095.29	\$ 1,551,079.66	\$ 1,606,000	\$ 2,278,400	\$ 1,983,400

GENERAL FUND REVEN 3 - Continued

	<u>Actual 1975-76</u>	<u>Actual 1976-77</u>	<u>Actual 1977-78</u>	<u>Actual 1978-79</u>	<u>Actual 1979-80</u>	<u>Estimated 1980-81</u>	<u>Estimated 1981-82</u>	<u>Estimated 1982-83</u>
CHARGES FOR SERVICES								
Children's Home	\$ 80,265.79	\$ 78,684.01	\$ 79,546.71	\$ 77,926.16	\$ 78,912.03	\$ 80,000	\$ 80,000	\$ 80,000
Reimbursement Community Health	0	0	0	1,993.49	627.00	0	0	0
Youth Training Center	11,061.82	14,424.41	14,085.45	14,711.71	19,932.69	18,000	18,000	18,000
Girls Training Center	7,138.75	7,702.00	6,776.50	6,075.50	7,941.50	7,000	7,000	7,000
State Hospital - Medicare	86,367.48	133,453.91	118,782.28	226,807.26	0	44,000	0	0
State Hospital - SAMI	263,868.93	179,166.63	0	148,817.55	0	0	0	0
Dental Health: Title XIX	91,516.56	0	820.44	1,320.28	1,379.76	0	0	0
Child Support	0	122,142.26	56,347.48	67,415.00	31,023.31	130,900	126,151	105,801
State Parks Fees	136,704.87	118,225.54	165,608.09	100,308.33	0	0	0	0
Sub-Total Charges for Health Services	\$ 676,924.20	\$ 653,798.76	\$ 441,966.95	\$ 645,375.28	\$ 139,818.29	\$ 279,900	\$ 231,151	\$ 210,801
USE OF MONEY AND PROPERTY								
Printing, Purchasing, Computer Facility Repayment	\$ 152,617.37	\$ 152,617.37	\$ 204,972.74	\$ 431,264.74	\$ 442,089.74	\$ 431,265	\$ 435,000	\$ 435,000
Interest on Bank Deposits	5,506,363.49	4,946,868.32	7,300,532.98	13,335,910.27	23,751,484.27	20,200,000	13,600,000	11,600,000
Sub-Total Use of Money, Property	\$ 5,658,980.86	\$ 5,099,485.69	\$ 7,505,505.72	\$ 13,767,175.01	\$ 24,193,574.01	\$ 20,631,265	\$ 14,035,000	\$ 12,035,000
ALL OTHER RECEIPTS								
Federal Power Receipts	\$ 643.98	\$ 670.92	\$ 636.11	\$ 2,393.48	\$ 3,396.82	\$ 660	\$ 660	\$ 660
Hoover Dam	300,000.00	300,000.00	1,359,910.04	300,000.00	0	145,531	145,531	145,531
Petroleum Products Inspection	229,884.00	248,347.24	259,959.21	294,464.59	297,756.28	262,000	260,000	260,000
Unclaimed Property						1,250,000	500,000	500,000
Racing Commission						^a	^a	^a
Miscellaneous	108,227.37	194,045.29	166,863.45	344,446.33	580,304.73	300,000	150,000	150,000
Sub-Total Other Receipts	\$ 638,755.35	\$ 743,063.45	\$ 1,787,368.81	\$ 941,304.40	\$ 881,457.83	\$ 1,958,191	\$ 1,058,191	\$ 1,056,191
TOTAL REVENUES	\$178,744,076.48	\$202,783,914.89	\$247,184,275.36	\$300,941,797.45	\$322,356,012.93	\$337,021,257	\$376,957,678	\$406,431,717
Percent Increase Over Previous Year	9.8%	13.5%	21.9%	21.7%	7.2%	4.5%	11.0%	7.8%

a. No reasonable estimate available. The Track was not open when this was prepared.

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979*</u>	<u>1980</u>	<u>Estimated 1981</u>	<u>% of Inc.</u>
Carson City	\$ 90,069,233	\$ 103,081,217	\$ 119,511,647	\$ 171,766,470	\$ 198,449,513	\$ 252,783,243	\$ 337,000,000	33.3%
Churchill	47,406,976	48,550,828	53,224,610	58,313,840	66,441,429	71,807,205	87,100,000	21.3%
Clark	1,665,102,836	1,802,285,995	1,981,645,919	2,463,414,881	2,889,911,431	3,481,036,558	4,000,000,000	14.9%
Douglas	111,419,453	118,294,544	159,364,848	175,871,528	226,679,892	275,614,636	535,000,000	94.1%
Elko	143,703,033	150,977,828	150,566,409	148,583,033	164,827,483	179,377,171	186,000,000	3.7%
Esmeralda	11,366,331	13,140,188	12,785,437	15,627,430	17,093,415	21,291,089	22,000,000	3.3%
Eureka	28,134,933	35,871,490	30,267,605	35,623,897	37,376,775	46,442,020	56,700,000	22.1%
Humboldt	51,080,492	58,141,753	61,612,991	71,461,729	80,592,261	100,591,120	128,000,000	27.2%
Lander	26,100,000	26,000,000	30,292,254	34,022,467	40,154,871	45,340,053	54,000,000	19.1%
Lincoln	16,343,660	19,266,431	21,769,153	25,320,122	30,656,128	33,464,500	35,500,000	6.1%
Lyon	75,796,391	69,118,261	73,209,051	83,005,105	97,698,301	113,888,914	135,000,000	18.5%
Mineral	21,000,049	22,611,244	23,833,001	28,373,339	29,386,407	31,113,937	31,115,000	.0%
Nye	58,489,996	62,413,581	79,518,091	89,968,521	104,572,700	133,148,433	176,000,000	32.2%
Pershing	29,808,887	34,527,323	36,500,208	38,507,507	40,414,374	40,944,595	54,000,000	31.9%
Storey	7,808,305	8,044,211	9,823,776	10,165,152	13,557,481	23,905,796	45,000,000	88.2%
Washoe	878,768,440	925,179,883	1,096,868,945	1,280,109,786	1,592,159,262	1,994,776,650	2,538,200,000	27.2%
White Pine	42,870,060	45,850,230	48,780,895	53,147,724	46,303,019	49,227,651	49,500,000	.0%
	\$3,305,269,075	\$3,543,355,007	\$3,989,574,838	\$4,783,282,531	\$5,676,274,742	\$6,894,753,571	\$8,470,115,000	22.8%

*Household goods removed

PROPERTY TAX

Collected by County Treasurer and Submitted to State Treasurer

<u>Spring of</u>	<u>Assessed Value</u>	<u>% of Increase</u>	<u>State Rate</u>	<u>Collections</u>	
1970	\$1,889,406,425	10.6%	\$.25	\$ 4,790,460.44	1970-71
1971	2,087,913,448	10.5%	.25	5,238,959.89	1971-72
1972	2,323,829,082	11.3%	.25	6,036,730.04	1972-73
1973	2,628,504,943	13.1%	.25	6,662,287.87	1973-74
1974	2,939,163,846	11.8%	.25	7,281,586.33	1974-75
1975	3,305,269,075	12.4%	.25	8,359,232.70	1975-76
1976	3,543,355,007	7.2%	.25	9,137,289.00	1976-77
1977	3,989,574,838	12.6%	.25	10,287,724.94	1977-78
1978	4,783,282,531	19.9%	.25	10,954,616.01	1978-79
1979	5,676,274,742	18.67%	.00	191,309.81	1979-80
1980	6,894,753,571	21.47%	.00	.00	1980-81
1981	8,470,115,000	22.85%	?	?	1981-82
1982*			?	?	1982-83

SALES TAX

A6
Revised: February 19, 1981

The State sales tax (2%), the local school support sales tax (1%), and the optional city-county sales tax are collected by the Department of Taxation. The bulk of the collection are made on a quarterly basis although some are received on a monthly basis. In all instances, the tax is due and payable 30 days after

the period in which earned by the State. This tax table reflects the State 2% sales tax by the month it was collected. The figures for each month reflect deposits made for sales that occurred in the prior month or quarter.

	<u>1977-78</u>	<u>% Inc. Year to Date</u>	<u>1978-79</u>	<u>% Inc. Year to Date</u>	<u>Actual 1979-80</u>	<u>% Inc. Year to Date</u>	<u>% Inc. Same Mo. Last Year</u>	<u>Estimated 1980-81</u>	<u>% Inc. Year to Date</u>	<u>% Inc. Same Mo. Last Year</u>	<u>Estimated 1981-82</u>	<u>% Inc. Year to Date</u>	<u>Estimated 1982-83</u>	<u>% Inc. Year to Date</u>
2% Sales Tax (State)														
July (Accumulative)	\$13,124,655	17.8%	\$ 15,876,810	21.0%	\$ 18,656,452	17.5%	\$ 17.5%	\$ 18,367,594	-1.5%	-1.5%				
August	17,792,095	19.7%	21,768,291	22.3%	24,727,250	13.6% ^a	3.0%	24,854,094	.5%	6.9%				
September	22,474,749	20.1%	27,917,491	24.2%	31,214,968	11.8%	5.5%	31,547,449	1.1%	3.2%				
October	35,649,108	19.8%	44,425,936	24.6%	48,551,335	9.3%	5.0%	50,544,362	4.1%	9.6%				
November	40,725,090	22.0%	50,417,817	23.8%	54,857,691	8.8%	5.2%	57,499,630	4.8%	10.3%				
December	45,406,419	22.6%	56,379,162	24.2%	60,958,005	8.1%	2.3%	63,889,449	4.7%	4.7%				
January	60,098,682	22.2%	74,322,446	23.7%	80,010,368	7.6%	6.2%	84,264,955	5.3%	6.9%				
February	64,460,348	22.6%	79,912,588	24.0%	85,776,890	7.3%	3.2%			7.0%				
March	69,001,094	22.7%	85,671,919	24.2%	91,639,512	7.0%	1.8%			7.0%				
April	83,251,029	22.7%	102,385,349	23.0%	108,710,116	6.2%	2.1%			7.0%				
May	88,639,373	23.0%	109,065,116	23.0%	114,889,117	5.3%	-7.5%			7.0%				
June	94,525,720	23.6%	115,638,201	22.3%	121,157,679	4.8%	-4.6%			7.0%				
Deposited to General Fund	\$94,525,720	23.6%	\$115,638,201	22.3%	\$121,157,679	4.8%		\$128,303,000	5.9%		\$141,100,000	10%	\$158,000,000	12%
Sales Tax (Schools) To General Fund	\$ 450,737		\$ 550,178		\$ 569,595			\$ 640,000			\$ 915,000		\$ 1,025,000	
City-County Tax to General Fund	\$ 221,441		\$ 270,870		\$ 281,387			\$ 320,000			\$ 1,725,000		\$ 1,932,000	
Total to State General Fund	\$95,197,898		\$116,459,249		\$122,008,661			\$129,263,000			7,700,000^b		\$151,440,000	\$160,957,000

^a Sales tax was removed on food items.

^b Estimate of one time income from putting all accounts above \$500 monthly on a monthly remittance basis rather than quarterly.

GAMING TAXES

Revised: February 19, 1981

Gaming taxes for the General Fund were collected by both the counties and the Gaming Commission until July 1, 1979. Now the State's General Fund revenue taxes are collected by the Gaming Control Board.

Quarterly State License Fees (NRS 463.370): A percentage fee based upon gross revenue is collected quarterly at the rate shown below:

<u>Tax Bracket</u> <u>Per Quarter Gross Revenue</u>	<u>Rate</u>
\$ 0 - \$150,000	3.0%
150,000 - 400,000	4.0%
400,000 and Over	5.5%

Restricted Slot Flat Fee (NRS 463.373): A flat fee of \$25 per quarter per machine, payable in advance before the last of the month preceding the quarter of operating. This is for gaming establishments who have 15 or less slots and no other gaming devices.

Non-Restricted Slot Flat Fee: A flat fee of \$10 per quarter per machine payable on the last of the month preceding the quarter of operation.

Quarterly Flat Fee on Games (NRS 463.383): This is a quarterly fee on games due on the last of the month for the following quarter. The rates are:

a. From establishments operating 10 games or less:

1 game	- \$ 50.00 total
2 games	- 100.00 total
3 games	- 200.00 total
4 games	- 375.00 total
5 games	- 875.00 total
6 or 7 games	- 1,500.00 total
8 through 10 games	- 3,000.00 total

b. From establishments operating more than 10 games:

11 through 16 games	- \$500.00 for each game from 1 through 16 inclusive
17 through 26 games	- \$500.00 for each game from 1 through 16 PLUS \$4,800 for each game 17 through 26
27 through 35 games	- \$500.00 for each game from 1 through 16 PLUS \$4,800 for each game 17 through 26 PLUS \$2,800 for each game 27 through 35
36 and Over	- \$500.00 for each game from 1 through 16 PLUS \$4,800 for each game 17 through 26 PLUS \$2,800 for each game 27 through 35 PLUS \$100 for each game over 35

Annual State Fees on Games (NRS 463.380): This tax is often referred to as the "table tax". The proceeds are equally divided among the 17 counties after 10% is placed in the Gaming Administration Fund. At the end of the year, the unexpended amount in the administration Fund is pro-rated to the counties and to the State's General Fund on the basis of total collections.

REVENUES COLLECTED BY GAMING

	Fiscal Year 1977-78	% of Inc.	Fiscal Year 1978-79	% of Inc.	Fiscal Year 1979-80	% of Inc.	Fiscal Year 1980-81	% of Inc.	Fiscal Year 1981-82	% of Inc.	Fiscal Year 1982-83	% of Inc.
Quarterly State License Fees												
September 30	\$ 18,442,347	31.2%	\$ 23,849,359	22.5%	\$ 26,523,494	11.2%	\$ 29,691,831	11.9%				
December 31	21,985,528	19.6%	27,198,138	23.7%	31,656,082	16.4% ^a	33,520,677	5.8%				
March 31	19,741,180	24.7%	23,916,083	21.2%	27,128,194	13.4%	30,717,000	13.2%				
June 30	21,602,645	20.5%	26,229,831	21.4%	30,706,241	17.0%		6.0%				
Sub-Total	\$ 82,771,698	21.5%	\$ 101,193,411	22.0%	\$ 118,014,011	14.6%	\$ 126,478,123	9%	\$ 141,655,498	12.0%	\$ 161,487,267	14.0%
Advance License Fees												
Restricted Slot Flat Tax	\$ 534,109		\$ 2,346,082		\$ 1,311,597		\$ 600,000		\$ 600,000		\$ 600,000	
Non-Restricted Slot Flat Tax												
September 30	\$ 145,800	1.4%	\$ 155,175		\$ 162,259	4.5%	\$ 194,649	20.0%				
December 31	134,825	-10.6%	159,200		201,450	26.5%	202,075	.3%				
March 31	182,476	27.5%	168,300		143,750	-14.6%						
June 30	132,875	-2.5%	174,747		192,325	10.1%						
Sub-Total	\$ 595,976	4.2%	\$ 657,422	10.3%	\$ 699,778	6.4%	\$ 769,000	10.0%	\$ 845,000	10.0%	\$ 930,000	10.0%
Quarterly Flat Fee on Games												
September 30	\$ 578,620	28.9%	\$ 502,320		\$ 618,450	23.1%	\$ 702,130	13.5%				
December 31	470,100	-4.5%	596,300		756,690	26.9%	645,055	-14.7%				
March 31	670,510	28.8%	730,890		742,900	1.6%						
June 30	628,800	24.6%	749,400		733,860	-2.0%						
Sub-Total	\$ 2,348,030	19.5%	\$ 2,579,010	9.8%	\$ 2,851,900	10.6%	\$ 3,135,000	10.0%	\$ 3,448,000	10.0%	\$ 3,793,000	10.0%
Penalties and Interest												
Miscellaneous	\$ 98,875		\$ 228,761		\$ 860,611		\$ 300,000		\$ 200,000		\$ 200,000	
Race Wire	\$ 50,410		\$ 57,980		\$ 139,331		\$ 50,000		\$ 50,000		\$ 50,000	
Annual Fees on Games	\$ 2,106,400		\$ 2,174,350		\$ 2,232,650		\$ 2,300,000		\$ 2,400,000		\$ 2,500,000	
Pari Mutuel 2%	\$ 210,845		\$ 316,273		\$ 376,604		\$ 220,000		\$ 200,000		\$ 200,000	
Manufacturing License	\$ 38,350		\$ 38,650		\$ 36,400		\$ 40,000		\$ 40,000		\$ 40,000	
TOTAL	\$ 92,913,371		\$ 114,015,198		\$ 129,687,824		\$ 139,516,123		\$ 155,618,498		\$ 176,592,267	
Distribution: Counties	\$ 2,040,195		\$ 2,112,278		\$ 2,150,800		\$ 2,100,000		\$ 2,100,000		\$ 2,100,000	
General Fund	90,873,176		\$ 111,902,920		\$ 127,537,024		\$ 137,416,123		\$ 153,518,498		\$ 174,492,267	

(a) Approximately \$300,000 was from audits - without counting that the increase was 14.0%.

INSURANCE PREMI TAX - NRS 680B.030

A9
Revised: February 19, 1981

Nevada imposes a 2% insurance premium tax which is collected by the Insurance Division. The tax is collected in April. The premium tax may be offset by assessments paid by the insurance firm under the Insurance Guarantee Act (NRS

687A.060). A retaliatory tax is also imposed on foreign insurance companies doing business in Nevada and based upon the tax rate in the home state.

	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>	<u>1977-78</u>	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>
Premium Tax	\$ 4,997,054	\$ 5,574,290	\$ 6,838,395	\$ 8,600,488	\$10,057,266	\$11,122,337			
Retaliatory Tax	460,398	427,438	431,658	579,384	733,292	801,413			
Total	<u>\$ 5,457,452</u>	<u>\$ 6,001,728</u>	<u>\$ 7,270,053</u>	<u>\$ 9,179,872</u>	<u>\$10,790,558</u>	<u>\$11,923,750</u>	<u>\$13,354,000</u>	<u>\$14,958,000</u>	<u>\$16,750,000</u>
Percent of Increase	8.7%	9.9%	21.1%	26.3%	17.5%	10.5%	12%	12%	12%

CASINO ENTERTAINMENT TAX - NRS 463.401

A 10% tax is imposed on gaming establishments providing entertainment and having more than 50 slots and more than 3 tables or any combination thereof.

The tax is due on July 31, October 31, January 31, and April 30, for the preceding quarter.

	<u>Fiscal Year 1976-77</u>	<u>Fiscal Year 1977-78</u>	<u>Fiscal Year 1978-79</u>	<u>% of Inc.</u>	<u>Fiscal Year 1979-80</u>	<u>% of Inc.</u>	<u>Fiscal Year 1980-81</u>	<u>% of Inc.</u>	<u>Fiscal Year 1981-82</u>	<u>% of Inc.</u>	<u>Fiscal Year 1982-83</u>
September 30	\$ 3,321,502	\$ 3,449,613	\$ 3,921,872	13.7%	\$ 4,530,937	15.5%	\$ 4,978,382	9.8%			
December 31	3,864,540	3,920,421	4,774,745	21.8%	5,723,604	19.9%*	5,192,715	-9.3%			
March 31	2,937,745	3,286,334	3,965,049	20.7%	4,504,463	13.5%	4,275,096	-5.1%			
June 30	2,989,709	3,543,391	4,203,061	18.6%	4,896,853	16.4%					
Sub-Total	<u>\$ 13,113,496</u>	<u>\$ 14,199,759</u>	<u>\$ 16,864,727</u>		<u>\$ 19,655,857</u>						
Refunds	- 115,569										
Total	<u>\$ 12,997,927</u>	<u>\$ 14,199,759</u>	<u>\$ 16,864,727</u>		<u>\$ 19,655,857</u>		<u>\$ 18,500,000</u>		<u>\$ 21,000,000</u>		<u>\$ 23,500,000</u>
Percent of Increase	15.9%	9.3%	18.8%		16.5%		-5.9%		13.5%		12.0%
									<u>\$ 3,500,000^a</u>		
									<u>\$ 24,500,000</u>		

*\$235,000 was from audits. The normal increase was 14%.

a. Estimates of requiring monthly remittance of tax rather than quarterly remittance for accounts above \$500 monthly.

The Department of Taxation collects a wholesale tax on monthly sales at the rate of \$.06 per gallon on malt beverages; \$.30 per gallon on alcoholic beverages under 14% alcohol; \$.50 per gallon on alcoholic beverages under 22% alcohol;

and \$1.90 per gallon on alcoholic beverages over 22% alcohol. The counties and cities receive 5/19ths of the tax on alcoholic beverages over 22% alcohol.

	<u>1976-77</u>	<u>1977-78</u>	<u>1978-79</u>	<u>% Inc.</u>	<u>1979-80</u>	<u>% Inc.</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>
Malt Beverages (gallons)									
July, August, September	6,314,343	6,928,129	7,268,233	4.9%	7,654,554	5.3%	7,535,817		
October, November, December	5,446,808	5,534,388	6,639,859	20.0%	6,444,829	2.9%			
January, February, March	4,235,410	4,962,876	5,410,918	9.0%	6,456,094	19.3%			
April, May, June	6,317,184	6,597,126	7,653,812	16.2%	8,020,973	4.8%			
Total	22,307,689^a	24,022,519	26,972,822		28,576,450		29,719,508	30,908,288	32,144,620
Percent of Increase	9.0%	7.7%	12.3%		6.0%		4.0%	4.0%	4.0%
Alcoholic beverages Under 14% (gallons)									
July, August, September	632,645	727,636	833,109	14.5%	882,953	6.0%	833,777		
October, November, December	622,263	754,595	838,661	11.1%	893,655	10.7%			
January, February, March	598,424	671,189	816,498	21.6%	800,970	-1.9%			
April, May, June	723,498	804,930	851,944	5.8%	946,575	11.1%			
Total	2,576,889^a	2,958,350	3,340,212		3,524,153		3,665,120	3,811,725	3,984,184
Percent of Increase	9.8%	14.8%	12.9%		5.5%		4.0%	4.0%	4.0%
Alcoholic Beverages Under 22% (gallons)									
July, August, September	76,922	77,937	76,786	-1.5%	71,417	-7.0%	70,220		
October, November, December	85,101	84,784	77,638	-8.4%	78,626	1.3%			
January, February, March	71,367	70,755	64,873	-8.3%	67,948	7.8%			
April, May, June	74,184	87,051	81,105	-6.8%	74,043	-8.7%			
Total	307,493^a	320,527	300,402		292,034		294,885	294,885	294,885
Percent of Increase	-1.2%	4.2%	-6.3%		-2.1%		.2%	0%	0%
Alcoholic Beverages Over 22% (gallons)									
July, August, September	1,142,409	1,224,116	1,205,653	-5.2%	1,027,927	-11.5%	982,637		
October, November, December	1,321,172	1,269,781	1,210,282	-4.7%	1,243,649	2.7%			
January, February, March	849,746	938,430	881,526	-6.1%	934,174	6.0%			
April, May, June	1,209,680	1,298,750	1,249,365	-3.8%	1,174,031	6.0%			
Total	4,522,829^a	4,731,077	4,546,826		4,379,781		4,511,144	4,648,478	4,785,872
Percent of Increase	8.3%	4.6%	-4.8%		-2.7%		3.0%	3.0%	3.0%
Gallons X Rates									
-3% Dealers Discounts	\$10,858,649	\$11,478,166	\$11,409,603		\$11,239,434		\$11,601,323	\$11,973,765	\$12,358,535
Tax Collections	-3%	-3%	-3%		-3%		-3%	-3%	-3%
Plus License	\$10,535,520	\$11,138,475	\$11,066,208		\$10,887,524		\$11,253,283	\$11,614,553	\$11,987,779
Total	21,519	21,369	21,948		21,713		20,000	20,000	20,000
Total	\$10,514,001	\$11,157,844	\$11,088,154		\$10,909,237		\$11,273,283	\$11,634,553	\$12,007,779
To General Fund	\$ 8,363,759	\$ 8,862,911	\$ 8,882,576		\$ 8,787,213		\$ 9,085,378	\$ 9,381,011	\$ 9,686,631
To Counties and Cities	\$ 2,150,242	\$ 2,294,933	\$ 2,205,578		\$ 2,122,024		\$ 2,187,905	\$ 2,253,542	\$ 2,321,148

Amounts are shown in months deposited in Treasurer's Office as indicated on the monthly reports prepared by the Department of Taxation. Actuals do not add to estimates above.

FEDERAL SLOT TAX CREDIT

Revised: February 19, 1981

Under the provisions of NRS 463.385, the Nevada Gaming Commission is authorized to collect 95% of the \$250.00 annual federal tax on coin-operated gaming devices. Federal legislation, passed and approved in 1972 and 1978, permits Nevada to collect this portion of the federal tax. NRS 463.385 further provides that during each fiscal period, the first \$5,000,000 collected will be deposited to the Higher Education Capital Construction Fund and that all monies in excess

of the first \$5,000,000 and within 80% of the federal tax rebate will be deposited in the State Distributive School Fund. The remaining 20% is earmarked for the special Higher Education Capital Construction Fund. This fund can be used by the Board of Regents to pay principal and interest on construction bonds. The full tax is collected prior to the fiscal year period and throughout the year on a prorated basis as licensees commence new operations.

	<u>Actual Fiscal Year 1975-76</u>	<u>Actual Fiscal Year 1976-77</u>	<u>Actual Fiscal Year 1977-78</u>	<u>Actual Fiscal Year 1978-79</u>	<u>Actual Fiscal Year 1979-80</u>	<u>Estimated Fiscal Year 1980-81</u>	<u>Estimated Fiscal Year 1981-82</u>	<u>Estimated Fiscal Year 1982-83</u>
To Higher Education Capital Construction	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
To State Distributive School Fund	6,253,417	7,726,898	9,603,370	11,186,142	11,333,577	12,903,000	14,692,000	16,661,000
To Special Higher Education Capital Construction Fund				2,790,563	4,009,872	4,475,000	4,923,000	5,415,000
Annual Collections*								
Total	\$11,253,417	\$12,726,898	\$14,603,370	\$18,976,705	\$20,343,449	\$22,378,000	\$24,615,000	\$27,076,000

*Minus refunds

Personal Income on Per Capita Basis:

Population:

<u>Year</u>	<u>Nevada</u>	<u>% Increase</u>	<u>California</u>	<u>% Increase</u>
1962	3,127	9.8%	2,869	3.6%
1963	3,098	- .9%	2,972	3.6%
1964	3,114	5.2%	3,118	4.9%
1965	3,194	2.6%	3,248	4.2%
1966	3,360	5.2%	3,472	6.9%
1967	3,502	4.2%	3,674	5.8%
1968	3,858	10.2%	4,003	9.0%
1969	4,271	10.7%	4,259	6.4%
1970	4,563	6.8%	4,493	5.5%
1971	4,873	6.8%	4,711	4.9%
1972	5,138	5.4%	5,044	7.1%
1973	5,742	11.8%	5,497	9.0%
1974*	6,065	5.6%	6,089	10.8%
1975*	6,636	9.4%	6,593	8.3%
1976*	7,318	10.3%	7,164	8.6%
1977*	8,276	13.1%	7,911	10.4%
1978*	9,529	15.1%	8,919	12.7%
1979*	10,521	10.4%	10,054	12.7%

*Bureau of Economic Analysis, August, 1980.

<u>County</u>	<u>1960 Census</u>	<u>1970 Census</u>	<u>Estimated 1977*</u>	<u>Estimated 1980*</u>	<u>Estimated 1985*</u>	<u>Estimated 1990*</u>
Carson City	8,063	15,468	27,145	31,959	40,913	50,572
Churchill	8,452	10,513	12,180	13,873	15,093	16,312
Clark	127,016	273,288	360,935	462,012	550,000	664,000
Douglas	3,481	6,882	12,919	19,500	25,248	32,689
Elko	12,011	13,958	15,114	17,409	19,459	21,751
Esmeralda	619	629	790	773	930	1,087
Eureka	767	948	948	1,183	1,302	1,421
Humboldt	5,708	6,375	7,324	9,487	10,884	12,278
Lander	1,566	2,666	3,329	4,183	4,938	5,694
Lincoln	2,431	2,557	2,876	3,697	4,286	4,969
Lyon	6,143	8,221	10,873	13,677	15,525	17,368
Mineral	6,329	7,051	5,833	6,141	6,559	7,006
Nye	4,374	5,599	6,968	9,096	10,786	12,471
Pershing	3,199	2,670	2,866	3,396	3,810	4,224
Storey	568	695	1,128	1,460	1,817	2,175
Washoe	84,743	121,068	157,826	191,869	223,522	255,174
White Pine	9,808	10,150	8,841	8,184	8,237	8,291
Total	285,278	488,738	637,895	797,899	943,309	1,117,482

*Figures provided by Governor's Office of Planning Coordination.

Consumers Price Index:

<u>Year</u>	<u>Index</u>	<u>% Change</u>	<u>Year</u>	<u>Index</u>	<u>% Change</u>	<u>Year</u>	<u>Index</u>	<u>% Change</u>	<u>Year</u>	<u>Index</u>	<u>% Change</u>
1965	94.5	1.72%	1978			1979			1980		
1966	97.2	2.86%	Jan.	186.9	6.62%	Jan.	204.7	9.52%	Jan.	233.2	13.92%
1967	100.0	2.88%	Feb.	188.3	6.32%	Feb.	207.1	9.98%	Feb.	236.4	14.15%
1968	104.2	4.20%	Mar.	189.7	6.45%	Mar.	209.1	10.23%	Mar.	239.8	14.68%
1969	109.8	5.37%	Apr.*	191.5	6.63%	Apr.	211.5	10.44%	Apr.	242.5	14.66%
1970	116.3	5.92%	May	193.3	7.03%	May	214.1	10.76%	May	244.9	14.38%
1971	121.3	4.20%	June	195.3	7.43%	June	216.6	10.91%	June	247.6	14.31%
1972	125.3	3.30%	July	196.7	7.72%	July	218.9	11.29%	July	247.8	13.20%
1973	133.1	6.23%	Aug.	197.8	7.91%	Aug.	221.1	11.78%	Aug.	249.4	12.80%
1974	147.7	10.97%	Sept.	199.3	8.31%	Sept.	223.4	12.09%	Sept.	251.7	12.67%
1975	161.2	9.14%	Oct.	200.9	8.89%	Oct.	225.4	12.19%	Oct.	253.9	12.64%
1976	170.5	5.77%	Nov.	202.0	8.95%	Nov.	227.5	12.62%	Nov.	256.2	12.62%
1977	181.5	6.45%	Dec.	202.9	9.03%	Dec.	229.9	13.30%			

*As of April, 1978, CPI is calculated using new index of all urban consumers.

NOTE: 1967 = 100; yearly data are annual averages.

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STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

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February 23, 1981

Senator Floyd Lamb
Chairman, Senate Finance
Legislative Building
Carson City, Nevada 89710

Dear Senator Lamb:

Assembly Bill 34 is currently before your committee. In that bill, on line 17 the allowable earnings of a retired person from the Public Employees' Retirement System is increased from \$4,800 to \$6,000 in any fiscal year. The legislators' retirement law also has this same provision which is currently \$4,800, the same as the public employees' retirement law. In the past, we have had to amend the law to make those two amounts the same. Accordingly, we would like to suggest that AB 34 be amended to provide that NRS 218.2393 be amended to where a person retired under the Legislators' Retirement System is subject to the same restrictions as a person retired under the Public Employees' Retirement System.

I am available to discuss this proposed amendment with you at your convenience. When this bill is heard by this committee, I will be in attendance to explain the proposed amendment.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John R. Crossley".

John R. Crossley, C.P.A.
Legislative Auditor

JRC:rie
Enclosure
pc: Vernon Bennett

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



PUBLIC EMPLOYEES RETIREMENT SYSTEM

693 WEST NYE LANE
CARSON CITY, NEVADA 89701
TELEPHONE (702) 898-4200

RETIREMENT BOARD
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TOM WIESNER

TESTIMONY PROVIDED TO THE SENATE FINANCE COMMITTEE
REGARDING ASSEMBLY BILL 34 ON FEBRUARY 23, 1981

I am Vernon Bennett, Executive Officer of the Public Employees Retirement System of Nevada. The Retirement System supports AB 34. This bill will allow a retired employee to serve as an elected city, county or state official without forfeiting his retirement benefit. The bill was amended in the Assembly, per our recommendation, to exclude this benefit to a person who earned all or part of his retirement as an elected official and was reelected to the same position. We recommended this amendment to prohibit an elected official from resigning near the end of one term to apply for retirement and then begin serving in the same elected official position at the beginning of a new term. The bill also increases the amount a retired employee may earn in public employment in a position not eligible for membership from \$4,800 to \$6,000 per fiscal year. The bill adds service as an independent contractor within the categories covered by the \$6,000 earnings restrictions.

Our Deputy Attorney General has reviewed the bill and recommends technical amendments as follows:

1. On page 1, line 8, after the word "employment" and before the word "as" insert the words or independent contract.
2. On page 2, line 6, after the word "employment" and before the word "governed" insert or independent contract.
3. On page 2, line 8, after the word "employment" and before the word "governed" insert or independent contract.
4. On page 2, between lines 10 and 11, insert the following:
(c) Within 10 days after the retired employee earns more than \$6,000 by employment or independent contract governed by paragraph (b) of this subsection.

These amendments will provide consistency throughout the section. Amendment Number 4 will make the retired employee and the public employer responsible for notifying the System whenever earnings reach the maximum amount.

We respectfully request your favorable consideration of these amendments.

Legislative Auditor John Crossley has provided to you a letter dated February 17, 1981, which suggests an equivalent amendment for retired employees of the Legislators' Retirement System. The Retirement System supports this amendment with one technical correction. We suggest that the word "retirees" be changed to "retired employees" to be consistent with the PERS Statute. Mr. Daykin prefers the words retired employees.

Your Committee is also scheduled to hear SB 56 this morning. SB 56 will allow a retired employee from PERS or the Legislators' Retirement System to be employed by the Nevada Legislature without affecting their retirement benefit. This bill will amend NRS 218.2393 which is the same section in the Legislators' Retirement System Law that Mr. Crossley is proposing to amend by this letter. SB 56 will also amend NRS 286.520 which is the main section being amended by AB 34. The Retirement System favors SB 56. Should your Committee favor SB 56, we would recommend that the changes to the law provided in SB 56 be adopted as amendments to AB 34 to eliminate a conflict between the two bills.

Our suggested amendment from SB 56 to AB 34 is as follows:

Page 2, after line 18: A retired employee who is employed by either house of the Legislature, is entitled to the same allowance as a retired employee who has no employment.

This would be the only amendment necessary if the Committee approves Mr. Crossley's amendment because retired Legislators would then automatically be covered by this and all other employment provisions of PERS.

We have attached copies of AB 34, SB 56 and Mr. Crossley's letter for your information and assistance. We will be pleased to answer any questions which any member of the Committee may have.

TESTIMONY PROVIDED TO THE SENATE FINANCE COMMITTEE
REGARDING SENATE BILL 56

The Retirement System supports SB 56. SB 56 would allow a retired employee from the Legislators' Retirement System or PERS to accept employment with the Nevada Legislature without affecting his retirement benefit. We recommend your favorable consideration of the legislation as an amendment to AB 34 which is listed above. This would eliminate a conflict between SB 56 and AB 34.

We will be pleased to answer any questions which the Committee may have.

TESTIMONY PROVIDED TO THE SENATE FINANCE COMMITTEE
REGARDING SENATE BILL 113

The Retirement System supports SB 113. SB 113 was prepared by the Legislative Counsel to make technical corrections and remove conflict and duplication provisions in NRS 286.300, 286.3005 and 286.310. These sections deal with purchase of service. SB 113 does not provide any substantive changes in the law. We urge your favorable consideration of SB 113 as written.

We will be pleased to answer any questions which the Committee may have.

VB:bb

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 34

ASSEMBLY BILL NO. 34—ASSEMBLYMEN DINI, GLOVER,
MAY, MELLO AND SCHOFIELD

JANUARY 26, 1981

Referred to Committee on Government Affairs

SUMMARY—Exempts persons who fill elective public offices from disqualification for allowances under public employees' retirement system. (BDR 23-510)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets () is material to be omitted.

AN ACT relating to the public employees' retirement system; exempting retired persons who serve in elective public offices from disqualification for retirement allowances; including independent contracts in the restricted employment of retired employees; increasing the limitation on the earnings of retired employees with public employers; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 286.520 is hereby amended to read as follows:
2 286.520 1. Except as otherwise provided in [subsection 3] *subsec-*
3 *tions 3 and 4* and NRS 286.525, the consequences of the employment of
4 a retired employee are:
5 (a) A retired employee who accepts employment *or an independent*
6 *contract* with a public employer under this system is disqualified from
7 receiving any allowances under this system for the duration of that
8 employment if:
9 (1) He accepted the employment *or independent contract* within 90
10 calendar days after the effective date of his retirement; or
11 (2) He is employed in a position which is eligible to participate in
12 this system.
13 (b) If a retired employee accepts employment *or an independent con-*
14 *tract* with a public employer under this system more than 90 calendar
15 days after the effective date of his retirement in a position which is not
16 eligible to participate in this system, his allowance under this system ter-
17 minates immediately upon his earning more than [\$4,800] \$6,000 in any
18 fiscal year, for the duration of that employment [.] *or contract.*
19 (c) If a retired employee accepts employment with an employer

- 1 [that] who is not a public employer under this system, [he] the
2 employee is entitled to the same allowances as a retired employee who
3 has no employment.
- 4 2. The retired employee and the public employer shall notify the
5 system:
- 6 (a) Within 10 days after the first day of an employment governed by
7 paragraph (a); and
8 (b) Within 30 days after the first day of an employment governed by
9 paragraph (b),
10 of subsection 1.
- 11 3. If a retired employee is chosen by election or appointment to fill
12 an elective public office, he is entitled to the same allowances as a retired
13 employee who has no employment, unless he is serving in the same office
14 in which he served and for which he received service credit as a member.
- 15 4. The system may waive for one period of 30 days or less a retired
16 employee's disqualification under this section if the public employer certi-
17 fies in writing, in advance, that the retired employee is recalled to meet
18 an emergency and that no other qualified person is immediately available.

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February 17, 1981



Senator Floyd Lamb
Chairman, Senate Finance
Legislative Building
Carson City, Nevada 89710

Dear Senator Lamb:

Assembly Bill 34 is currently before your committee. In that bill, on line 17 the allowable earnings of a retired person from the Public Employees' Retirement System is increased from \$4,800 to \$6,000 in any fiscal year. The legislators' retirement law also has this same provision which is currently \$4,800, the same as the public employees' retirement law. In the past, we have had to amend the law to make those two amounts the same. Accordingly, we would like to suggest that AB 34 be amended to provide that NRS 218.2393 be amended to where a person retired under the Legislators' Retirement System is subject to the same restrictions as a person retired under the Public Employees' Retirement System. Attached to this letter is a copy of NRS 218.2393 in which we set forth how it could be amended to provide for this.

I am available to discuss this proposed amendment with you at your convenience. When this bill is heard by this committee, I will be in attendance to explain the proposed amendment.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John R. Crossley".

John R. Crossley, C.P.A.
Legislative Auditor

JRC:rie
Enclosure
pc: Vernon Bennett

218.2393 RETIREMENT ALLOWANCE: EFFECT OF ELECTION, APPOINTMENT TO LEGISLATURE OR ACCEPTING EMPLOYMENT.

1. A person receiving a retirement allowance under NRS 218.2371 to 218.2395, inclusive, who is elected or appointed to the legislature shall not receive a retirement allowance during the period of time in which he serves as a legislator. Upon reentry into retirement he may receive a retirement allowance based upon his previous service and his added service.

2. [Except as otherwise provided in subsection 4, the consequences of the employment of a person receiving a retirement allowance under NRS 218.2371 to 218.2395, inclusive, in any other capacity than as a legislator are:

(a)] A retired legislator who accepts employment with a public employer under the public employees' retirement system shall be subject to the same restrictions that retirees of the public employees' retirement system are subject to as set forth in NRS 286.520. [is disqualified from receiving any allowances under the legislators' retirement system for the duration of that employment if:

(1) He accepted the employment within 90 calendar days after the effective date of his retirement; or

(2) He is employed in a position which is eligible to participate in the public employees' retirement system.

(b) If a retired legislator accepts employment with a public employer under the public employees' retirement system more than 90 calendar days after the effective date of his retirement in a position which is not eligible to participate in the public employees' retirement system his allowance under the legislators' retirement system terminates immediately upon his earning more than \$4,800 in any fiscal year, for the duration of that employment.

(c) If a retired legislator accepts employment with an employer that is not a public employer under the public employees' retirement system, he is entitled to the same allowances as a retired legislator who has no employment.

3. The retired legislator and the public employer shall notify the board:

(a) Within 10 days after the first day of an employment governed by paragraph (a); and

(b) Within 30 days after the first day of an employment governed by paragraph (b),
of subsection 2.

4. The board may waive for one period of 30 days or less a retired legislator's disqualification under this section if the public employer certifies in writing, in advance, that the retired legislator is recalled to meet an emergency and that no other qualified person is immediately available.]

(Added to NRS by 1967, 1221; A 1979, 761)

SENATE BILL NO. 56—COMMITTEE ON
LEGISLATIVE AFFAIRS

JANUARY 21, 1981

Referred to Committee on Government Affairs

SUMMARY—Allows certain persons to obtain benefits from public employees' retirement system while employed during legislative session. (BDR 17-562)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in italics is new; matter in brackets () is material to be omitted.

AN ACT relating to the public employees' retirement system; allowing certain persons to obtain benefits while employed during the legislative session; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 218.2393 is hereby amended to read as follows:
2 218.2393 1. A person receiving a retirement allowance under NRS
3 218.2371 to 218.2395, inclusive, who is elected or appointed to the leg-
4 islatre [shall] may not receive a retirement allowance during the period
5 of time in which he serves as a legislator. Upon reentry into retirement
6 he may receive a retirement allowance based upon his previous service
7 and his added service.
8 2. Except as otherwise provided in subsection 4 [.] or 5, the conse-
9 quences of the employment of a person receiving a retirement allowance
10 under NRS 218.2371 to 218.2395, inclusive, in any other capacity than
11 as a legislator are:
12 (a) A retired legislator who accepts employment with a public
13 employer under the public employees' retirement system is disqualified
14 from receiving any allowances under the legislators' retirement system for
15 the duration of that employment if:
16 (1) He accepted the employment within 90 calendar days after the
17 effective date of his retirement; or
18 (2) He is employed in a position which is eligible to participate in
19 the public employees' retirement system.
20 (b) If a retired legislator accepts employment with a public employer
21 under the public employees' retirement system more than 90 calendar
22 days after the effective date of his retirement in a position which is not

1 eligible to participate in the public employees' retirement system his
2 allowance under the legislators' retirement system terminates immediately
3 upon his earning more than \$4,800 in any fiscal year, for the duration of
4 that employment.

5 (c) If a retired legislator accepts employment with an employer that
6 is not a public employer under the public employees' retirement system,
7 he is entitled to the same allowances as a retired legislator who has no
8 employment.

9 3. The retired legislator and the public employer shall notify the
10 board:

11 (a) Within 10 days after the first day of an employment governed by
12 paragraph (a); and

13 (b) Within 30 days after the first day of an employment governed by
14 paragraph (b),
15 of subsection 2.

16 4. The board may waive for one period of 30 days or less a retired
17 legislator's disqualification under this section if the public employer cer-
18 tifies in writing, in advance, that the retired legislator is recalled to meet
19 an emergency and that no other qualified person is immediately avail-
20 able.

21 5. *A person who is employed by either house of the legislature is*
22 *exempt from the provisions of subsections 2 and 3 during the course of*
23 *the legislative session for which he is employed.*

24 **SEC. 2. NRS 286.520 is hereby amended to read as follows:**

25 286.520 1. Except as otherwise provided in subsection 3 [and]
26 or 4 or NRS 286.525, the consequences of the employment of a retired
27 employee are:

28 (a) A retired employee who accepts employment with a public
29 employer under this system is disqualified from receiving any allowances
30 under this system for the duration of that employment if:

31 (1) He accepted the employment within 90 calendar days after the
32 effective date of his retirement; or

33 (2) He is employed in a position which is eligible to participate in
34 this system.

35 (b) If a retired employee accepts employment with a public employer
36 under this system more than 90 calendar days after the effective date of
37 his retirement in a position which is not eligible to participate in this sys-
38 tem his allowance under this system terminates immediately upon his
39 earning more than \$4,800 in any fiscal year, for the duration of that
40 employment.

41 (c) If a retired employee accepts employment with an employer that
42 is not a public employer under this system, he is entitled to the same
43 allowances as a retired employee who has no employment.

44 2. The retired employee and the public employer shall notify the
45 system:

46 (a) Within 10 days after the first day of an employment governed by
47 paragraph (a); and

48 (b) Within 30 days after the first day of an employment governed by
49 paragraph (b),
50 of subsection 1.

- 1 3. The system may waive for one period of 30 days or less a retired
2 employee's disqualification under this section if the public employer cer-
3 tifies in writing, in advance, that the retired employee is recalled to meet
4 an emergency and that no other qualified person is immediately available.
5 4. *A person who is employed by either house of the legislature is*
6 *exempt from the provisions of subsections 1 and 2 during the course of*
7 *the legislative session for which he is employed.*
8 SEC. 3. This act shall become effective upon passage and approval.

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February 19, 1981

MEMORANDUM

TO: Senator "Spike" Wilson
FROM: Paul Cohen
SUBJECT: COST CONTAINMENT INFORMATION

In preparation for the Monday, February 23rd meeting in which you have requested this agency's attendance, the following information summarizes and updates previous materials given to you last week:

PROPOSED LEGISLATION

Under NRS 679B.120 or .150 - Authorize the Commissioner to let a Request for Proposal (RFP) for a two-year medical utilization review study of active Nevada State Employees and their dependents' insurance claims.

FISCAL NOTE

- \$200,000 per year, for a total of \$400,000

In addition to the above, the following special notes are presented for your information:

1. Request for Proposal:
 - a. Hold harmless clause for contractor under NRS 284
 - b. Establish cost per claim to be reviewed
 - c. Require Community Profile to be part of contractor's task to be completed as part of contract
 - d. Identify specific MUR components, i.e., 100% of all claims submitted, urban geographic locations only versus all of state, Performance or Judgmental claims, inpatient versus outpatient, etc.

2. Additional Information:

In my conversations with Al Stoess, Chairman of the Committee on Group Insurance, who is responsible for the bid process on the insurance package for State employees, and Ms. Emily Bradburn of Mutual Administrators the following was garnered:

a. State Employees: (active)

1. State Coverage for Employee Only	6,915
2. Employee with One Dependent	1,671
3. Employee with 2 Plus Dependents	<u>2,329</u>

TOTAL EMPLOYEES 10,915
 DEPENDENTS (EST) 7,523

TOTAL..... 18,438

b. Number of Claims Processed For One year (est)	70,000
c. Premium Paid for Employees Per Month	\$67,00
d. Premium Paid for Employees With One Dependent Per Month	\$34.88
e. Premium Paid for Employees With Two Plus Dependents Per Month	\$54.12
f. Present Premium for Active Employees and Dependents For Year (est)	\$9,000,000
g. Percentage of Premium Utilized for Year (est)	80.8%

3. Persons Invited:

- 1) Dr. John H. Carr, State Health Officer
- ✓ 2) Dr. Al Stoess, Chairman, Committee on Group Insurance
- 3) Erna Edwards, Insurance Division
- 4) Myrl Nygren, Office of Health Planning & Resources
- 5) Dr. Bing Oberle, Office, Director of Human Resources
- 6) Jim Hand, Executive Director, Nevada PSRO
- ✓ 7) Fred Hillerby, Executive Director, Nevada Hospital Association
- 8) Jim Scofield, Automated Administrative Services of Nevada, Inc.

PC/bws

cc: John H. Carr, M.D.
 Bing Oberle, Ph.D.

re pig

(c) Mortgage loans made under customary terms and in the ordinary course of business.

3. Any person knowingly violating this section is guilty of a misdemeanor.

(Added to NRS by 1971, 1562; A 1971, 1932)

679B.110 Delegation of powers.

1. The commissioner may delegate to his deputy, examiner or an employee of the division the exercise or discharge in the commissioner's name of any power, duty or function, whether ministerial, discretionary or of whatever character, vested in or imposed upon the commissioner.

2. The official act of any such person acting in the commissioner's name and by his authority shall be deemed an official act of the commissioner.

(Added to NRS by 1971, 1563)

679B.120 General powers, duties. The commissioner shall:

1. Subject to the provisions of NRS 232.250, organize and manage the division, and direct and supervise all its activities;

2. Execute the duties imposed upon him by this code;

3. Enforce the provisions of this code;

4. Have the powers and authority expressly conferred upon him by or reasonably implied from the provisions of this code;

5. Conduct such examinations and investigations of insurance matters, in addition to examinations and investigations expressly authorized, as he may deem proper upon reasonable and probable cause to determine whether any person has violated any provision of this code or to secure information useful in the lawful enforcement or administration of any such provision; and

6. Have such additional powers and duties as may be provided by other laws of this state.

(Added to NRS by 1971, 1563; A 1979, 630)

679B.130 Regulations: Adoption; penalties for violation.

1. The commissioner may adopt reasonable regulations for, or as an aid to, the administration or effectuation of any provision or provisions of this code. A regulation shall not extend, modify or conflict with any law of this state or the reasonable implications thereof.

2. Willful violation of any such regulation shall subject the violator to such suspension or revocation of a certificate of authority or license, or administrative fine in lieu of such suspension or revocation, as may be applicable under this code for violation of the provision to which such regulation relates; but no penalty shall apply to any act done or omitted in good faith in conformity with any such regulation, notwithstanding that such regulation may, after such act or omission, be amended or rescinded or determined by judicial or other authority to be invalid for any reason.

(Added to NRS by 1971, 1563; A 1977, 97)

679B.140 Orders, notices in general.

1. Orders and notices of the commissioner shall be effective only when in writing signed by him or by his authority.

2. Except as otherwise expressly provided by law as to particular orders, every order of the commissioner shall state its effective date, and shall concisely state:

(a) Its intent or purpose;

(b) The grounds on which based; and

(c) The provisions of this code pursuant to which action is taken or proposed to be taken; but failure to so designate a particular provision shall not deprive the commissioner of the right to rely thereon.

3. Except as provided as to particular procedures, an order or notice may be given by delivery to the person to be ordered or notified, or by mailing it, postage prepaid, addressed to such person at his principal place of business or residence as last of record in the division. The order or notice shall be deemed to have been given when deposited in a mail depository of the United States post office, and of which the affidavit of the individual who so mailed the order or notice shall be prima facie evidence.

(Added to NRS by 1971, 1564)

679B.150 Measures to enhance public understanding of coverages offered and encourage price competition.

1. The commissioner may:

(a) Take measures to enhance the public understanding of insurance coverages purchased by consumers and encourage price competition among insurers and a public understanding of the standards promulgated under paragraph (b).

(b) Develop, promulgate and revise as he deems appropriate, standards in each of the several areas of insurance appropriate to be applied to policies sold in the State of Nevada. The standards shall seek to ensure that policies shall not be unjust, unfair, inequitable, unfairly discriminatory, misleading, deceptive, obscure or encourage misrepresentation or misunderstanding of the contract.

2. Nothing in this section shall prohibit an insurer from offering policies encompassing standards more favorable to the insured than those promulgated under this section.

(Added to NRS by 1971, 1564; A 1971, 1932)

679B.160 Advisory councils.

1. The commissioner may create advisory councils and committees to assist him in dealing with regulatory problems. He may appoint members and may provide by rule for the creation, governance, duties and termination of any council or committee he establishes.

2. The commissioner may create at least one advisory council to represent the consumer interest in insurance, to be made up of members with no substantial interest in insurance, in any aspect of the insurance industry, except as insureds.

(Added to NRS by 1971, 1565)



*Automated Administrative Services
of Nevada, Inc.*

5030 Paradise Road • Suite A102 • Las Vegas, Nevada 89109 • (702) 798-0160

February 13, 1981

Myrl Nygren, Administrator
Health Planning & Resources
Capitol Complex
Room 605
505 E. King Street
Carson City, Nevada 89710

Re: Health Care Cost Containment

Dear Myrl:

Enclosed is a draft of the recommend changes to the Nevada Revised Statutes we feel will help contain costs. As you know, there are several other recommendations. However, the majority of these recommendations will not require legislative action.

There are three areas addressed in the attached recommendations:

1. Chapter 695B.280: Provides for review of care provided under pre-paid medical plans.
2. Chapter 689A.230: Permits co-ordination of benefits paid under individual or family type medical plans with group insurance plans. This will prevent dual payments and help contain costs.
3. Chapter 689A.030
And 689B.030: Removes the requirement for a physician to prescribe home health care. In the past, physicians have been hesitant due to liability exposure. This change will eliminate this exposure and provide home health care benefits if deemed necessary to treatment.

It is my understanding that Bob Price has agreed to introduce a bill recommending these changes.

If I can be of further assistance, please call.

Sincerely,


Jim Schofield

cc: Erma Edwards

Bob Price

Affiliated with Tabulating Consultants, Inc. - Founded in 1955

Chapter 695B.280 Rules and Regulations; Limitations:

The commissioner may after notice and hearing promulgate such reasonable rules and regulations not inconsistent with the provisions of this chapter, relating to the substance, form and issuance of any contract covering the furnishing of hospital or medical or dental services and required to be approved by him as are necessary or desirable. Such rules and regulations shall not prohibit the use in any such contract or agreement of.

ADD: No. 6 - The plan shall adopt procedures to control the quality of the health care performed by the members, including the random review of the professional services rendered by members under the plan and the follow-up on cases in which the quality of health care is considered deficient.

Chapter 689A.230 Sub-section 2, Second Paragraph:

The insurer shall include in this provision a definition of "other valid coverage" approved as to form by the commissioner. Such term may include hospital, surgical, medical or major medical benefits provided by individual or family-type coverage, *group coverage, government programs or workmen's compensation. Such term shall not include any group insurance automobile medical payments or third party liability coverage. The insurer shall not include a subrogation clause in the policy. The insurer may require, as part of the proof of claim, the information necessary to administer this provision.

*Added

Chapter 689A.030 Sub-section 8:

A provision for benefits for expense arising from home health care or supportive services if such care or service was prescribed by a physician *deemed necessary for treatment and would have been covered by the policy if performed in a health care facility as defined in N.R.S. 449.007.

Chapter 689B.030 Sub section 4:

A provision for benefits for expense arising from home health care or supportive services if such care or services if such care or service was prescribed by a physician *deemed necessary for treatment and would have been covered by the policy if performed in a health care facility as defined in N.R.S. 449.007.

*Added

Proposed Revisions to NRS 589

689A.040 Add:

4. Any insurer issuing a policy of health insurance in this state shall adopt procedures to control the quality, appropriateness, and necessity of the health care provided to its policy holders or an insured person; reimbursement to health care providers or policy holders or an insured person for such health care shall be denied by the insurer if deemed, in accordance with its adopted procedures, of unacceptable quality, inappropriate or unnecessary.

689B.030 Add:

7. Any insurer issuing a group health insurance policy in this state shall adopt procedures to control the quality, appropriateness, and necessity of the health care provided to its policy holders or an insured person; reimbursement to health care providers or policy holders or an insured person for such health care shall be denied by the insurer if deemed, in accordance with its adopted procedures, of unacceptable quality, inappropriate or unnecessary.

689B.070 (Blanket Policies)

ay need similar language.