MINUTES OF THE MEETING OF THE SENATE COMMITTEE ON FINANCE

SIXTY-FIRST SESSION NEVADA STATE LEGISLATURE May 11, 1981

The Senate Committee on Finance was called to order by Chairman Floyd R. Lamb, at 8:00 a.m., Monday, May 11, 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. Sparks, Chief Fiscal Analyst Dan Miles, Deputy Fiscal Analyst Candace Chaney, Secretary

OTHERS PRESENT:

Howard Barrett, Budget Division

MENTAL HEALTH AND MENTAL RETARDATION

Mr. Ace Martell, Director of the Department of Human Resources, and Mr. Jerome Gripentrog, Division Administrator of Mental Health and Mental Retardation, informed the committee that the Henderson staffing grant would, in all probability, not materialize. This was 1.2 million dollar grant from the Federal government.

The loss of the grant left the division with three options: one, the division would have to completely revise the programs.

Senator McCorkle asked what this Federal money was supposed to be used for. Mr. Martell said it was a part of the entire MHMR budget approach to having less institutionalized patients to provide a greater amount of out-patient services. The grant was intended to provide a deterrent program to institutionalization. The total cost of the deterrent package was \$850,000 which would have offset 1.8 million dollars of hospitalization the division was going to reduce. It was a very cost-effective alternative to hospital beds.

Mr. Martell stated, according to Senators Laxalt and Cannon's offices, the chances of receiving those Federal monies were very minute.

Senator Lamb inquired if the purpose of this presentation by the division was to ask the State to supplement those lost funds. Mr. Martell noted they wanted to apprise the committee of problem and clarify, if the division did not receive 1.2 million dollars or some part of it, it would mean the complete restructuring of the MHMR program. State dollars would be an alternative, Mr. Martell indicated, but the division, at this time, was not requesting State dollars. Mr. Griepentrog noted the out-patient services program and children's programs would be cut as a result of the loss of funding. Mr. Martell commented that Nevada had the most cost effective MHMR programs in the nation and the division wanted to keep it that way.

Senate Committee on Finance
May 11, 1981

Mr. Martelle said, by law, when a committee division had no option but to the division where the present type of program volved not having the Federal regulation by not having a number of positions two additional cuts in the division a six month delay on the start-up musical country for the first year of Also, the division could transfer \$

Mr. Martelle said, by law, when a court told the division to take an individual, the division had no option but to take that person.

Mr. Gripentrog explained what the division could do the job for in State dollars to keep the present type of program together. He noted one of the savings involved not having the Federal regulations which would save \$50,000 off the top by not having a number of positions. In addition, coming to the committee, were two additional cuts in the division's budget that could be applied. One was a six month delay on the start-up monies for the new adolescent programs in Clark County for the first year of the biennium. This would be the full \$200,000. Also, the division could transfer \$100,000 that was going into those programs at Henderson the first year and could add in \$150,000 from Title XIX being transferred from some food service cuts.

The bottom line was that the division could probably reduce their costs and inincrease their non-state revenues the first year by approximately \$400,000 and the second year by approximately \$200,000. Without waivers, the division would need \$850,000 for each year of the biennium.

Senator McCorkle remarked that this money might be returned in block grant. Mr. Gripentrog said the problem with the block grant was that it would be based on their current Federal fiscal year. Mr. Martelle added that another problem with block grants was that it was unknown when they would become available.

Senator Wilson inquired if the figure of \$850,000 each year was the bottom line total funds available figure. Mr. Gripentrog indicated that figure would be the total additional supplemental funds the division would need from the State to make up the loss of these particular Federal funds.

Mr. Sparks requested a written recap of the aforementioned figures. Mr. Gripentrog said he would provide such.

UNIVERSITY OF NEVADA, RENO (Pg. 189)

Senator Wilson moved to amend the UNIVERSITY OF NEVADA, RENO budget to increase tuition to \$27 per unit for the first year of the biennium and to \$30 for the second year of the biennium.

Senator Gibson seconded the motion.

The motion failed. (Senators McCorkle, Echols and Jacobsen voted "No") (Senator Glaser was not present for the vote.)

Senator Jacobsen moved to approve the UNIVERSITY OF NEVADA, RENO budget as recommended by the Governor.

Senator McCorkle seconded the motion.

The motion failed. (Senators Lamb, Gibson and Wilson voted "No") (Senator Glaser was not present for the vote.)

DEPARIMENT OF TAXATION (Pg. 137)

Mr. Roy Nickson, Executive Director of the Department of Taxation, addressed the committee with regard to the budgetary impacts of <u>Senate Bill No. 411</u> and <u>Assembly Bill No. 369</u> on the Department of Taxation. (See <u>Exhibit C.</u>) He noted the presentation was a request for an augmentation of the department's 1981-82 and 1982-83 budgets to implement the tax package which was enacted or about to be enacted by the legislature.

Mr. Nickson said the Nevada Tax Commission, last Friday, adopted as policy that only accounts that exceeded \$10,000 in taxable sales per month and were currently on quarterly reporting would be required to conver to monthly reporting. He stated many members of the commission felt this was discrimination against the larger taxpayers of this State.

Mr. Nickson indicated the letter the committee members had before them and noted the first paragraph could be reduced from the \$151,000 in each year of the biennium to \$3,000 for each year of the biennium solely to provide postage for the 1,700 accounts who would not be placed on monthly reporting.

Referring to the Renter Rebate Program on the second page of the letter, Mr. Nickson stated, that was contained in <u>Assembly Bill No. 369</u>, that the department would need no additional funds in the FY 1982-83 period. This would be a one time action and he would reduce the two Senior Auditors by attrition.

Senator Lamb commented that in order to make sure the landlords passed on the rebate to the renters, more than two auditors were going to be needed. Mr. Nickson replied those would be two augmenting auditors, existing staff would be used as needed. He hoped the landlords, as they had done in the past, would be cooperative in passing on the rebate. Senator Lamb inquired if 90% of the landlords rebated monies on the previous occasion. Mr. Nickson believed they did but added a great number later increased the rent.

Senator Gibson remarked, to his knowledge, the landlords had passed the rebate on to their tenants. Senator Lamb disagreed. Senator McCorkle commented that every member of the Apartment Association, of which he was a member, was required to pass on the rebate as a condition of their membership.

Senator McCorkle asked what the department's program for the two senior auditors would be. Mr. Nickson indicated one would be based in Las Vegas and one would be in Carson City. When a tenant called in to say that he had not received a rebate, the department's first action would be to call the landlord concerned to determine whether or not he was familiar with the bill. If the landlord did not comply voluntarily, the department would assist the tenant in determining the exact amount of the rebate.

Senator McCorkle suggested the department use the Apartment Association hotline and that group to enforce rebate laws. Mr. Nickson noted the department had already anticipated using that means.

Mr. Nickson said that the figures in the letter for <u>Senate Bill 4ll</u> shown on page two, paragraph two, would remain as shown with the possible exception of not hiring the Grade 36 auditor/accountant immediately. The figures shown on the third page of the letter regarding <u>Senate Bill No. 69</u> would also remain as shown.

Mr. Nickson noted a bill had been introduced in the Assembly that would return the appraisal of the mining operations to the County Assessors. If this bill were to be enacted, one of the two property appraisers in that area could be utilized. In addition, the Senate Taxation Committee approved some authority for the department to charge for cigarette tax stamps through the cigarette wholesalers. If that bill became law, the department's operating expenses would be reduced the first year of the biennium by \$41,000 and by \$71,500 the second year of the biennium.

Senator Echols inquired as to the justification of the 12,000 accounts shown on the first page of the letter being on a monthly reporting system. Mr. Nickson said many times it was because the account had been requested to be placed on monthly reporting. It other instrances, the account had become habitually deliquent and was automatically transferred from quarterly to monthly.

Senator Jacobsen asked if the department had received many telephone calls with regard to acceptance of the new tax package. Mr. Nickson stated, surprisingly, they had not.

Senator Jacobsen moved to amend the DEPARIMENT OF TAXATION budget as per the department memo dated April 29, 1981, with the exception of reducing the Sales Tax Monthly Reporting figures shown in <u>Assembly Bill No. 369</u> to \$3,000 for each year of the biennium. In addition, no funds were requested for the second year of the biennium for the Renter Rebate Program.

Senator Glaser seconded the motion.

The motion carried unanimously.

Senator Jacobsen moved to approve the DEPARIMENT OF TAXATION budget as amended.

Senator Gibson seconded the motion.

The motion carried unanimously.

UNIVERSITY OF NEVADA, LAS VEGAS (Pg. 220)

Senator Gibson moved to amend the UNIVERSITY OF NEVADA, LAS VEGAS budget to increase tuition to \$27 per unit for the first year of the biennium, and to \$30 per unit for the second year of the biennium.

Senator Wilson seconded the motion.

The motion failed. (Senators Jacobsen, Echols, and McCorkle voted "No") (Senator Glaser was not present for the vote)

CLARK COUNTY COMMUNITY COLLEGE (Pg. 236)

Senator Gibson moved to amend the CLARK COUNTY COMMUNITY COLLEGE budget by adding six professional positions for Henderson.

Senator Echols seconded the motion.

The motion carried unanimously.

Senator Gibson moved to amend the CLARK COUNTY COMMUNITY COLLEGE budget to increase tuition to \$15 per unit for the first year of the biennium, and to \$17 per unit for the second year of the biennium.

Senator Glaser seconded the motion.

The motion carried. (Senators McCorkle and Echols voted "no")

Senator Gibson moved to approve the CLARK COUNTY COMMUNITY COLLEGE budget as amended.

Senator Glaser seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 590 - Makes appropriation from state general fund to legislative fund.

Senator Jacobsen moved not to concur with the amendment to delete the pre-session orientation from SENATE BILL NO. 590.

Senator Gibson seconded the motion.

The motion carried. (Senators Lamb and McCorkle voted "No")

UNIVERSITY OF NEVADA, RENO (Pg. 189)

Senator Gibson moved to amend the UNIVERSITY OF NEVADA, RENO, budget to increase tuition to \$27 per unit for the first year of the biennium, and to \$30 per unit for the second year of the biennium.

Senator Wilson seconded the motion.

The motion carried. (Senators McCorkle and Echols voted "No")

Senator Wilson moved to approve the UNIVERSITY OF NEVADA, RENO, budget as amended.

Senator Gibson seconded the motion.

The motion carried. (Senators Echols and McCorkle voted "No")

UNIVERSITY OF NEVADA SYSTEM ADMINISTRATION (Pg. 186)

Senator Wilson moved to reopen the UNIVERSITY OF NEVADA SYSTEM ADMINISTRATION budget to add a Director of Institutional Studies.

Senator Gibson seconded the motion.

The motion failed. (Senators Lamb, Echols, and Jacobsen voted "No")

UNIVERSITY OF NEVADA, LAS VEGAS (Pg. 220)

Senator Gibson moved to amend the UNIVERSITY OF NEVADA, LAS VEGAS, budget to increase tuition to \$27 per unit for the first year of the biennium, and to \$30 per unit for the second year.

Senator Wilson seconded the motion.

The motion carried. (Senators Echols and McCorkle voted "No")

Senator Gibson moved to approve the UNIVERSITY OF NEVADA, LAS VEGAS, budget as amended.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

WESTERN NEVADA COMMUNITY COLLEGE (Pg. 243)

Senator Gibson moved to amend the WESTERN NEVADA COMMUNITY COLLEGE budget to increase tuition to \$15 per unit for the first year of the biennium, and to \$17 per unit for the second year.

Senator Wilson seconded the motion.

The motion carried. (Senators Echols and McCorkle voted "No")

Senator Glaser moved to approve the WESTERN NEVADA COMMUNITY COLLEGE budget as amended.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

TRUCKEE MEADOWS COMMUNITY COLLEGE (Pg. 248)

Senator Gibson moved to amend the TRUCKEE MEADOWS COMMUNITY COLLEGE budget to increase tuition to \$15 per unit for the first year of the biennium, and to \$17 per unit for the second year.

Senator Wilson seconded the motion.

The motion carried. (Senators Echols and McCorkle voted "No")

The committee decided to hold approval of this budget upon receipt of enrollment figures from Mr. Howard Barrett.

NORTHERN NEVADA COMMUNITY COLLEGE (Pg. 254)

Senator Glaser moved to amend the NORTHERN NEVADA COMMUNITY COLLEGE budget to increase tuition to \$15 per unity for the first year of the biennium, and to \$17 for the second year.

Senator Gibson seconded the motion.

The motion carried. (Senators Echols and McCorkle voted "No")

Senator Glaser moved to amend the NORTHERN NEVADA COMMUNITY COLLEGE budget to add the Diesel Program.

Senator Jacobsen seconded the motion.

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

The committee decided to hold approval of this budget upon receipt of enrollment figures from Mr. Howard Barrett.

MEDICAL CARE UNIT (Pg. 588)

Senator Gibson moved to amend the MEDICAL CARE UNIT budget to cap it for the first year of the biennium at \$38,877,000 in State funds, and, to cap it at \$43,000,000 for the second year of the biennium.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

Senator Glaser moved to approve the MEDICAL CARE UNIT budget as amended.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

SOUTHERN NEVADA CORRECTIONAL CENTER (Pg. 633)

The committee agreed to hold this budget upon receipt of a revised budget from Mr. Howard Barrett.

CIP NO. 81-5 (Pg. 1042)

Senator McCorkle moved to approve CIP No. 81-5 as recommended by the Governor.

Senator Wilson seconded the motion.

The motion carried unanimously.

CIP - Miscellaneous Repairs for DMV (Pg. 1042)

Senator McCorkle moved to approve CIP - Miscellaneous Repairs for DMV as recommended by the Governor.

Senator Wilson seconded the motion.

The motion carried unanimously.

STATEWIDE PLANNING COORDINATOR (Pg. 7) (See Exhibit D.)

Senator Wilson moved to reopen the STATEWIDE PLANNING COORDINATOR budget.

Senator Gibson seconded the motion.

The motion carried unanimously.

Senator Glaser moved to amend the STATEWIDE PLANNING COORDINATOR budget per the Governor's memo to remove the Accountant position.

Senator Wilson seconded the motion.

The motion carried unanimously.

Senator Glaser moved to amend the STATEWIDE PLANNING COORDINATOR budget to transfer the General Fund monies for the Four Corners Regional Commission dues as per the Governor's memo.

Senator Jacobsen seconded the motion.

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

Senator Glaser moved to approved the STATEWIDE PLANNING COORDINATOR budget as amended.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

AGRICULTURAL EXPERIMENTAL STATION (Pg. 202) & COOPERATIVE EXTENSION SERVICES (Pg. 204)

Senator Glaser moved to reopen the AGRICULTURAL EXPERIMENATL STATION and the COOPERATIVE EXTENSION SERVICES budgets.

Senator Jacobsen seconded the motion.

The motion carried. (Senator Lamb and Senator McCorkle voted "No")

Senator Glaser moved to amend the AGRICULTURAL EXPERIMENTAL STATION budget to add 4 1/2 professional positions capping the State appropriation. The recommended positions to be funded with non-State monies.

Senator Jacobsen seconded the motion.

The motion carried. (Senators Lamb and McCorkle voted "No")

Senator Glaser moved to amend the COOPERATIVE EXTENSION SERVICES budget to add 7.3 professional positions capping the State appropriation. The recommended positions to be funded with non-State monies.

Senator Jacobsen seconded the motion.

The motion carried. (Senators Lamb and McCorkle voted "No")

Senator Glaser moved to approve the AGRICULTURAL EXPERIMENTAL STATION and COOPERATIVE EXTENSION SERVICES budgets as amended.

Senator Jacobsen seconded the motion.

The motion carried. (Senators Lamb and McCorkle voted "No")

CETA (Pg. 818)

Senator Wilson moved to reopen the CETA budget.

Senator Jacobsen seconded the motion.

The motion failed. (Senators Echols, Lamb, and McCorkle voted "No")

The Chairman noted there would be an Interim Finance Committee meeting the folloing morning at 7:00 a.m. in Room 131.

Mr. Sparks noted the receipt of the new Gaming revenue figures. (See Exhibit E.)

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: May 25-8/

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE		Room	231
Day (See Below)	, Date <u>(See Below)</u> ,	Time	8:00 a.m.
MOND	AY, MAY 11, 1981		••

- 1. Menatal Health and Mental Retardation (Jerome Griepentrog)
- 2. Closing of Budgets.

TUESDAY, MAY 12, 1981

- 1. S. B. No. 628 Makes supplemental appropriation to labor commissioner for travel expenses. (Edmond McGoldrick)
- 2. S. B. No. 629 Wakes supplemental appropriation to insurance division of department of commerce. (Jim Wadhams)
- 3. S. B. No. 644 Revises procedure for allocating money from community training center fund for retarded persons. (Jerome Gripentrog)
- 4. S. B. No. 630 Makes supplemental appropriation for Lake's Crossing facility for the mentally disordered. (Jerome Gripentrog)
- 5. A. B. No. 360 Creates exemption for nonprofit propmoters of athletic events. (Roy Tennyson)
- 6. A. B. No. 335 Makes appropriation for special equipment for division of forestry. (Lodie Smith)
- 7. A. B. No. 356 Directs sale of certain parcel of state land. (Lodie Smith, Roland Westergard)
- 8. A. B. No. 353 Makes an appropriation for repair of roofs of various state buildings. (Mike Meizel)
- 9. A. B. No. 435 Makes appropriation for quail and quail guzzlers in Clark County. (Joe Greenley)
- 10. A. B. No. 457 Provides for reversion to state general fund of prior appropriation made to attorney general. (Richard Bryan)
- 11. A. B. No. 473 Creates office of advocate for customers of public utilities within attorney general's office. (Richard Bryan)

WEINESDAY, MAY 13, 1981

- 1. S. B. No. 28 Creates committee to select sites and design for prisons. (Senator Wagner, Charles Wolff)
- 2. S. B. No. 484 Requires prisons to contract for programs of education with schools. (Senator Wagner, Charles Wolff)
- 3. S. B. No. 524 Requires state to continue to pay retirement contributions and group insurance premiums of certain disabled state officers and employees. (Senator Wagner, Senator McCorkle, Vermon Bennett)

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Exhibit B

THIS EXHIBIT IS MISSING FROM BOTH THE ORIGINAL MINUTES AND THE MICROFICHE.

Department of Taxation

Capitol Complex

CARSON CITY, NEVADA 89710

Telephone (702) 885-4892
In-State Toll Free 800-992-0900



RUBERT LIST. Governor

ROY E. NICKSON, Executive Director

April 29, 1981

The Honorable Keith Ashworth and Paul May Chairmen, Senate and Assembly Taxation Committees

Dear Senator Ashworth and Assemblyman May: .

At the request of Mr. Ray Knisely and incident to a decision of the Nevada Tax Commission, the budgetary impacts of SB 411 and AB 369 on the Department of Taxation have been recalculated. A preliminary budget impact had been forwarded to Assemblyman Bergevin on April 15, 1981 and this letter revises and supersedes that request.

Revisions to the Department's new Biennium budget and justifications therefor are:

1)	<u>AB 3</u>	69:		81-82	82-83
Sales	Tax	Monthly Reporting:			
	a)	New employees:			
. •		4 Senior Account Clerks, Grade 2 Admin. Aid II's, Grade 20	23	\$60,000 26,400	\$60,000 26,400
	b)	Operating expense:			
		4 Computer Terminals Postage, Forms, Misc. Computer Processing Time Equipment	Totals	4,800 48,000 12,000 600 \$151,800	4,800 48,000 12,000 \$151,200

Justification:

The Nevada Tax Commission on April 21, 1981, determined that the wording in AB 369 mandates that all 23,000 Sales & Use Tax accounts must be placed on monthly reporting. My original interpretation of the bill assumed that the conversion from quarterly to monthly reporting could be limited to only those taxpayers with gross taxable sales in excess of \$10,000 per month or a monthly tax liability of \$575.00 or more. This would have limited the number of conversions to about 1,700 accounts rather than all 11,000 accounts now reporting quarterly.

If my original interpretation had proven bonafide, the total additional costs for each year of the biennium would have been the \$3,000 specified in my letter to Assemblyman Bergevin.

AN EQUAL OPPORTUNITY EMPLOYER

STATE OF NEVADA

Department of Taxation

Capitol Complex

CARSON CITY, NEVADA 89710

Telephone (702) 885-4892
In-State Toll Free 800-992-0900



ROBERT LIST. GOITTMA

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AN EQUAL OPPORTUNITY EMPLOYER

The Honorable Keith Ashworth and Paul May April 29, 1981 Page 3

3)	SB 69:		<u>81-82</u>	<u>82-83</u>
	State Board (Sept. meetings)		\$3,000	
	Principal Accountant, Grade 36 Depreciation Manuals		21,154	· \$21,640 1,500
	Printing, Publication and Postage		1,500	1,500
		Totals	\$25,654	\$24,640

Justification:

These are the same additions requested in my April 15, 1981 letter to Assemblyman Bergevin. The additional employee is needed to analyze and develop depreciation schedules mandated by the bill. The State Board is required to have a special meeting in September 1981 to hear appeals from County Boards' actions and the funds are needed to cover the travel and per diem expenses. A funding request for technical manduals was included in SB 583 for immediate procurement. An additional \$1,500 is requested in the second year of the biernium to procure updated manuals.

I would also request that the positions for the sales tax (6) and the Local Government position of the CPA and two account clerks be authorized for immediate recruitment. It is believed that salary savings in the Department will permit payment of the salaries for those individuals that can be recruited in the next month for the remainder of the fiscal year.

Highest personal regards.

Very respectfully,

Roy E. Nickson

Executive Director

cc: Governor List

Assemblyman Bergevin Howard Barrett

Ray Knisely

Chairman and Members, Nevada Tax Commission

DEPARTMENT OF TAXATION

The Honorable Keith Ashworth and Paul May April 29, 1981 Page 3

3)	SB 69:		<u>81-82</u>	<u>82-83</u>
	State Board (Sept. meetings) Principal Accountant, Grade 36 Depreciation Manuals Printing, Publication and Postage		\$3,000 21,154 	\$21,640 1,500 1,500
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Highest personal regards.

Very respectfully,

Roy E. Nickson Executive Director

cc: Governor List

Assemblyman Bergevin

Howard Barrett Ray Knisely

Chairman and Members, Nevada Tax Commission

DEPARTMENT OF TAXATION

Library Note:

It appears that the following three pages may be part of Exhibit D, but page one of the letter is missing, so it is impossible to tell. Additionally, it appears that Exhibit E is missing.

Research Library September 2014 The H able Floyd amb May 5, 1981
Page 2

Since the Executive Budget recommendations were prepared, there has been a dramatic change in the potential for funding of planning programs by the federal government. It is virtually certain that the amount of federal grant funds recommended in either version of the budget described above will not be available.

Attached, you will find a detailed analysis of the impacts that would occur from a fiscal, programmatic and personnel standpoint under both versions of the closed budget. In addition, a third alternative which I strongly support is included. Briefly, this proposal would reduce the staff of the Planning Office by one position (two are already lost because of the Four Corners Regional Commission program termination). The total level of state funding proposed in the overall Exeuctive Budget would not be increased. Under this proposal, state dues recommended in the Executive Budget for FCRC would be transferred to offset some of the federal grant funding lost by the Planning Office. Finally, the overall agency budget would be reduced under this proposal by approximately ten percent per year through the staff reduction. This proposal would be funded as follows:

8	FY 1982	FY 1983
Regular Appropriation	\$197,361	\$206,581
EDA Grant (302a)	0	0
FCRC State Dues (becomes		
regular appropriation)	32,700	34,000
Sale of Agency Reports	1,000	1,000
	\$231,061	\$241,581

The staff position proposed to be eliminated would be that of the accountant. It is important to point out that such a staff reduction can only be accomplished if no federal funding remains in the budget. In addition to the salary savings, a small amount of operating reductions are proposed to bring about the overall reduction needed.

The functions of this office are vitally important to state government. For example, this office has the sole responsibility for preparing the Coordinated Biennial Report of all state agencies and the State Statistical Abstract. In addition, the office is totally responsible for economic development planning and policy coordination of numerous state agencies. The office reviews and comments on all federal grants coming to Nevada. During the last year alone, these 820 reviews involved grants totaling \$354 million. Finally, the office has been assigned the responsibility for monitoring the recommendations of the Commission on the Future of Nevada.

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Since the Executive Budget recommendations were prepared, there has been a dramatic change in the potential for funding of planning programs by the federal government. It is virtually certain that the amount of federal grant funds recommended in either version of the budget described above will not be available.

Attached, you will find a detailed analysis of the impacts that would occur from a fiscal, programmatic and personnel standpoint under both versions of the closed budget. In addition, a third alternative which I strongly support is included. Briefly, this proposal would reduce the staff of the Planning Office by one position (two are already lost because of the Four Corners Regional Commission program termination). The total level of state funding proposed in the overall Exeuctive Budget would not be increased. Under this proposal, state dues recommended in the Executive Budget for FCRC would be transferred to offset some of the federal grant funding lost by the Planning Office. Finally, the overall agency budget would be reduced under this proposal by approximately ten percent per year through the staff reduction. This proposal would be funded as follows:

3	FY 1982	FY 1983
Regular Appropriation	\$197,361	\$206,581
EDA Grant (302a)	, O	0
FCRC State Dues (becomes		
regular appropriation)	32,700	34,000
Sale of Agency Reports	1,000	1,000
	\$231,061	\$241,581

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In addition to the duties mentioned above, the office plays a vital role in the planning process for MX. Given this, and the other important responsibilities of the State Planning Coordinator's Office, I urge you to close the budget as proposed, with 100% state funding.

Sincerely,

ROBERT LIST Governor

STATE OF NEVADA EXECUTIVE CHAMBER