

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON FINANCE

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
May 28, 1981

The Senate Committee on Finance was called to order by Chairman Floyd R. Lamb, at 8:00 a.m., Thursday, May 28, 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

ASSEMBLY BILL NO. 555 - Permits use of money for assistance to school districts in construction and furnishings of schools.

Assemblyman Joe Dini testified in support of this bill. He noted the bill came about as an amendment to an act passed last session by the legislature which provided funds for the Alamo school and some funds for Washoe. Mr. Dini indicated the Lyon County School District ran into funding problems when their bond issue for 10 million dollars did not quite finish the job resulting in a shortage of \$700,000.

Mr. Dini said the main principal of the bill was to make the criteria where, if the proceeds of the previous bond issue became insufficient through no fault of their own, they could seek funding from the Board of Education. Secondly, the amendment would add the word furnishings, as well as, construction for schools. The Ways and Means Committee created the fund at 2 million dollars for this purpose.

Senator Jacobsen inquired as to how many children would the school accommodate and where was the school. Mr. Dini said the Lyon County School district built a new high school in Fernley and one in Dayton and a new elementary school in Silver Springs with a 10 million dollar bond issue. The children presently attended school in Carson City.

Mr. Wendell Newman, representing the Department of Education, testified in support of this legislation. He noted the bill was both beneficial to Elko and Lyon County. Mr. Newman said the department was also in favor of the concept of the loan.

ASSEMBLY CONCURRENT RESOLUTION NO. 47 - Recommends procedure for distribution of money received as federal block grants for health programs.

Senate Committee on Finance
May 28, 1981

Mr. Bryce Griffith, Administrator of the Community Health Center in Washoe, and Ms. Diane Guinn, Administrative Director of the Community Health Center in Las Vegas, testified in support of this resolution. The resolution would guarantee that the community health centers would receive 80% of the current year's funding, if the Federal government went to block grants.

Mr. Griffith said the Board that would distribute the funds would be comprised of representatives of the local communities. Ms. Guinn noted that community health centers were a part of a larger block grant. She indicated there would be four different block grants, one of which was a health block grant.

Senator Echols inquired, referring to section 254B and C, as to what that meant. Senator Gibson stated that referred to the President's categorical grants.

ASSEMBLY BILL NO. 649 - Directs state land registrar to transfer certain real property to University of Nevada.

Mr. Jack Shaw of the State Lands Division, testified in support of this legislation. He indicated the land consisted of two parcels of land which involved a land transfer of title from Mental Health to the University of Nevada. One of the parcels amounted to 3.67 acres and the other involved 1.19 acres; both being located north of the University near the intersection of McCarran and Virginia. Mr. Shaw stated the University had need of these two peices of property in the sports pavilion construction and use. The Mental Health Division did not have any need for the two parcels and comprised an exchange without consideration.

Senator Lamb commented if that seemed to be a fair exchange. Mr. Shaw noted the Mental Health division had requested the funds be provided for the transfer, but in the assembly they concurred with the bill. Senator Lamb felt some money should be involved in the transaction.

President Joe Crowley of the University of Nevada, Reno, testified in support of this bill. He stated, previously, the University had proposed that there be an appropriation to the University to purchase the lands which was not granted. He indicated the University did not have the funds to make the purchase. President Crowley stated this land was needed to provide adequate parking for the new pavilion.

Senator Glaser inquired if this land was contiguous to what the University already possessed. President Crowley indicated it was. He added the land was not being used presently for any purpose; one piece was basically a gulley; the toher piece was to be used as an access and egress to the northern part of the campus.

Senator McCorkle inquired as to the possibility of receiving land from the University for low income housing. President Crowley noted the University land at Stead had to be used for educational purposes. This was a condiditon imposed by the Federal government when they gave the land to the University. He did not feel, legally, they could allow low-income housing on that piece of property.

Senator Jacobsen asked if the University was going to concede the Evans Street access to the city of Reno. President Crowley said that was correct.

ASSEMBLY BILL NO. 602 - Makes appropriation to the insurance division of the department of commerce for automated system.

Mrs. Patsy Redmond, Insurance Commissioner, testified with regard to this bill. She noted the Insurance Division was requesting an appropriation for a system for processing surplus lines information.

In 1979 the legislature eliminated the surplus lines association and the responsibility for those duties were given to the Insurance Division. No new positions were added to monitor those additional responsibilities. In a structured court settlement, \$30,000 was allocated to the General Fund which was in addition to monies that the surplus lines association would use for data processing.

Senate Committee on Finance
May 28, 1981

At the present time, the Insurance Division had received the \$30,000 stipulated by the court settlement for the computer program, as well as, \$32,000 additionally from the surplus lines association which had gone directly to the General Fund.

Senator Lamb requested Mrs. Redmond to outline some of the benefits of surplus lines. Mrs. Redmond explained the surplus lines business was the kind of business that was done through non-admitted companies to the State of Nevada. The only kind of protection the division had in being assured they were collecting the proper amount of tax was by checking the companies and indicating what kind of business they were doing. The division would then do its own figuring the 2% tax. Mrs. Redmond stated it was believed the division would pick up an additional \$50,000 in collections through this system.

Senator Jacobsen inquired if there was any method of self-funding for this system. Mrs. Redmond said, with this particular type of system, she did not see how it could be self-funded.

Mr. Gordon Harding, of Central Data Processing, addressed the costs that were involved in the system. Of the total cost of the program, \$29,000 would come from the General Fund. The additional premium recovery anticipated was \$50,000 so \$21,000 in additional revenue would be generated in the first year.

Senator Jacobsen asked Mr. Harding if this project had a high priority as far as he was concerned. Mr. Harding noted this project was included in their resource allocation and expected to have this particular program operational within six months after the beginning of the biennium. It was a planned application.

SENATE BILL NO. 296

Senator Jacobsen moved to amend Senate Bill No. 296 to include the authorization to charge a \$1 fee per vehicle for the users of Lahotan to pay for a water study.

Senator McCorkle seconded the motion.

The motion carried unanimously.

* * *

Senator Jacobsen moved to approve Senate Bill No. 296 as amended.

Senator McCorkle seconded the motion.

The motion carried unanimously.

HENDERSON MENTAL HEALTH CENTER (Pg. 516)

Mr. Sparks noted the Assembly Ways and Means Committee's changes made to this budget in addition to the changes the Finance Committee made. They included:

1. The elimination of a Business Manager I and Psychologist IV position.
2. Reduction of equipment monies by \$10,000.
3. The alcoholism ward at Nevada Mental Health Institute would be funded by the increase in the liquor tax as provided in Assembly Bill No. 247 should that bill be approved thus removing the General Fund appropriation for the facility.

Senator Glaser moved to approve the use of the money in Assembly Bill No. 247 for support of the alcoholism ward, and to accept the Ways and Means Committee proposal on the Henderson Mental Health Center budget.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

Senate Committee on Finance
May 28, 1981

ASSEMBLY BILL NO. 602

Senator Jacobsen moved to approve Assembly Bill No. 602.

Senator Wilson seconded the motion.

The motion carried unanimously.

ASSEMBLY CONCURRENT RESOLUTION NO. 47

Senator Glaser moved to Indefinitely Postpone Assembly Concurrent Resolution No. 47.

Senator Wilson seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 555

Senator Gibson moved to amend Assembly Bill No. 555 to cut the fund to 1 million dollars.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

* * *

Senator Jacobsen moved to approve Assembly Bill No. 555 as amended.

Senator Glaser seconded the motion.

The motion carried unanimously.

LEGISLATIVE COUNSEL BUREAU (Pg. 182)

Senator Glaser moved to amend the LEGISLATIVE COUNSEL BUREAU budget to remove the new positions in the Services Division, and, to cut the subcommittee study funding in half in the Commission budget.

Senator McCorkle seconded the motion.

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

* * *

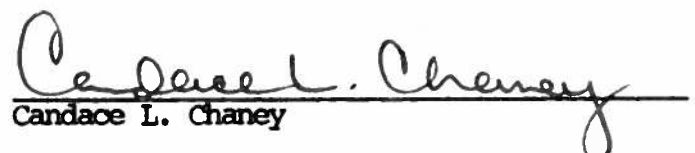
Senator Glaser moved to approve the LEGISLATIVE COUNSEL BUREAU budget as amended.

Senator Jacobsen seconded the motion.

The motion carried unanimously.

There being no further business, the meeting adjourned at 9:40 a.m.

Respectfully submitted by:


Candace L. Chaney

APPROVED BY:

Senator Floyd R. Lamb, Chairman

DATE: _____

2719

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231
Day THURSDAY, Date MAY 28, 1981, Time 8:00 a.m.

1. A. B. No. 555 - Permits use of money for assistance to school districts in construction and furnishings of schools. (Assemblyman Dini, Ted Sanders)
2. A.C.R. No. 47 - Recommends procedure for distribution of money received as federal block grants for health programs. (Ace Martell)
3. A. B. No. 649 - Directs state land registrar to transfer certain real property to University of Nevada. (Joe Crowley)
4. A. B. No. 602 - Makes appropriation to the insurance division of the department of commerce for automated system. (Jim Wadhams, Gordon Harding)

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE , Room 231 .

Day THURSDAY , Date May 28, 1981 , Time 4:00 p.m.

1. Committee Work Session.

Exhibit B

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