

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON GOVERNMENT AFFAIRS

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
April 13, 1981

The Senate Committee on Government Affairs was called to order by Chairman James I. Gibson, at 2:33 p.m., Monday, April 13, 1981, in Room 243 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator James I. Gibson, Chairman  
Senator Jean Ford, Vice Chairman  
Senator Keith Ashworth  
Senator Gene Echols  
Senator Virgil Getto  
Senator James Kosinski  
Senator Sue Wagner

GUEST LEGISLATORS:

Assemblyman Joseph Dini

STAFF MEMBERS PRESENT:

Mr. Andrew Grose, Research Director  
Anne Lage, Committee Secretary

SENATE BILL NO. 511

Revises provisions on powers and duties of administrator of division of Colorado River resources in department of energy.

Mr. Noel Clark, Director Department of Energy, testified that this bill would enlarge the scope of the activities of the division, so that it may participate in both generation and transmission of electric energy throughout Nevada.

Mr. Duane Sudweeks, Administrator Colorado River Resources, presented testimony on Senate Bill No. 511 and a proposed amendment to the bill. (See Exhibit C.)

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Mr. Jim Lavelle, Deputy Attorney General and Legal Counsel for the Division of Colorado River Resources, testified that he was appearing on behalf of Attorney General Richard Bryan who was in support of Senate Bill No. 511 in total, but specifically the proposed addition of subsection 4 to Nevada Revised Statute No. 538.211.

Mr. Lavelle emphasized that much research had gone into the development of the state's legal position in this process. In the course of analyzing the state's legal position, it had been determined that there may exist certain pre-conditions to the exercise of what they have identified as a right to a third of the Colorado River resources.

Back during the original allocation process in the early thirties, the state's inability to make a financial commitment was a factor in the state receiving not one-third of the power, but rather 17.6 percent that it now had. Mr. Lavelle stated that the Attorney General had determined that it was incumbent upon the state to protect and safeguard their ability to meet all pre-conditions should it become necessary to take legal action. He stated that the state should be able to say that it can make compensation, therefore it can exercise its right to one-third of the power. This bill would protect the state's right to make a financial commitment. Mr. Lavelle emphasized that this bill did not give carte blanche to the division to commit any amounts of monies. It simply provided the authorization to make that commitment. The legislature still could decide, once the amount of compensation was determined by court action, whether or not it chose to authorize the specific amount of funds that would be necessary for compensation.

Senator Gibson explained that the state was "power short", particularly if the state were to lose its allocation on the Colorado River. He felt that this bill was a reasonable development in the functioning of this agency for the state.

Senator Ford moved "Amend and Do Pass" with the amendment presented by the agency.

Senator Wagner seconded the motion.

The motion carried. (Senator Kosinski voted to "Abstain.")

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ASSEMBLY BILL NO. 322

Changes time for observance of Nevada Mineral Industry Week.

Mr. Bob Warren, Executive Secretary of the Nevada Mining Association, testified that this bill would change the date of observation of the mineral industry week from cold February to balmy June.

He asked that the bill be amended on page 1, line 3, changing the "c" on Commemorate to lower case and on line 4, inserting "of" after role and deleting "has had."

Senator Wagner moved "Amend and Do Pass" on Assembly Bill No. 322.

Senator Ford seconded the motion.

The motion carried. (Senator Kosinski voted to "Abstain".)

ASSEMBLY BILL NO. 29

Provides for review by state agencies of water quantity and sewage disposal in planned unit developments.

Assemblyman Dini testified that the problems of sewage and water were just as important in relation to a planned unit development as a regular subdivision. A statement to this effect was presented to the committee. (See Exhibit D.)

Mr. Lewis Dodgion, Administrator of the Division of Environmental Protection, testified that the requirement for state agency review of planned unit developments was in the law. They had been reviewing planned unit developments as subdivisions for a considerable period of time. Recently, Carson City decided that the law was ambiguous enough to interpret that there was not a need for state agency review. They started to file planned unit developments without those certifications. This was now the subject of litigation between the department, the state of Nevada and Carson City. The District Court upheld Carson City's opinion, and it has now been appealed to the state supreme court.

Ms. Peggy Twedt, League of Women Voters, testified in support of Assembly Bill No. 29.

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Mr. Ross Culbertson, Nevada Homebuilders, testified that if this bill became a law the Carson City homebuilders would be out of business. He advised placing a two year offset on the final approval portion of this bill. This would give Carson City two years to get their problem solved.

Mr. Dwight Millard, Carson City Homebuilders, testified that there had been an off and on building moratorium in Carson City for five to six years because of the water and sewer problems. He stated that in Carson City last year there were only 100 building permits issued for new homes.

Mr. Millard explained that industrial, commercial and mobile home parks were still exempt and if planned unit developments were to be included, so should the other types of developments.

Mr. Ted Jones, President of the Carson City Homebuilder's Association, testified that there was an allocation system in Carson City, established by a Growth Management Commission. This Growth Management Commission had to give approval on all building permits except commercial and industrial developments.

Mr. Don Hataway, Carson City Manager, testified that this bill would not be the vehicle to use to control the impacts on water and sewer use within Carson City. He also pointed out that the state could at any time, impose a moratorium if they felt a given entity was going over their capacity for water and sewer services.

Mr. Hataway explained that the state and federal Environmental Protection Agencies were currently reviewing their step one facilities plan for waste water treatment.

Mr. Jack Warneke, Carson City Supervisor, testified that he was in support of the testimony given by Mr. Hataway. He explained that Carson City was unique in that they controlled growth by building permits whereas other areas controlled growth by subdivisions.

Mr. John Brook, Alan Means Civil Engineering, Reno, testified that his clients had received approval of a planned unit development over a former trailer park which had water and sewer allocations. This development would include 190 manufactured home units using existing sewer and water permits. He voiced concern over what effect this bill would have on this development. He requested consideration of an amendment to

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this bill which would "grandfather in" all currently approved tentative plats.

Mr. David Hoy, Capriotti Construction Company, presented the committee with the proposed amendment which Mr. Brook had referred to. (See Exhibit E.)

Mr. Hoy explained that his clients had planned to convert a 525 unit mobile home park into 403 units where the house and lot sell as a unit. If this bill passed, there was the possibility that this map might not be approved by the state Engineer and the Department of Conservation. His clients were very concerned as they had already made considerable financial commitments toward this project.

Mr. Steve Balkenbush, Deputy Attorney General Environmental Protection Agency, testified that there would be two impacts if this bill was delayed. Primarily, there was a case pending before the Nevada Supreme Court and if this bill was passed as presented, without the amendment, it would clarify the present law.

Also, if the effective date was delayed, those planned unit developments that had presently come to the state for review at the tentative stage, would be precluded from final review by the state.

The committee decided to hold this bill and consider it at a later date.

ASSEMBLY BILL NO. 275

Creates and eliminates certain funds and changes certain accounting practices.

Mr. John Crossley, Legislative Auditor, distributed a summary of this bill to the committee. (See Exhibit F.)

Mr. Crossley explained that this bill was a result of recommendations made in the 53 audit reports which had been presented to the Legislative Commission in the last two years. He emphasized that the function had not been changed with any of the funds which were involved.

In response to Chairman Gibson's inquiry, Mr. Crossley stated that the repealer abolished the Supreme Court Law Library Federal Fund.

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Senator Wagner moved "Do Pass" on Assembly Bill No. 275.

Senator Echols seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 301

Broadens eligibility of public employees to retain group insurance upon retirement.

Mr. Larry Irvine, President of the Las Vegas Police Protective Association, testified that he was also speaking for Mr. Bill Bunker, Federated Fire Fighters.

Mr. Irvine explained that the necessity of this bill came about in the last session of the legislature. During the last session Assembly Bill No. 249 corrected an insurance problem, wherein a retired employee had the option of staying in his current group insurance plan or of taking a new policy if he went to work again. However, those employees who had gone out under disability retirement were not included under those provisions. This bill would give them that same option.

Senator Wagner moved "Do Pass" on Assembly Bill No. 301.

Senator Ford seconded the motion.

The motion carried unanimously.

SENATE BILL NO 426

Directs restoration of appropriated water to Round Hill General Improvement District.

Senator Ford moved "Do Pass" on Senate Bill No. 426.

Senator Keith Ashworth seconded the motion.

The motion failed to carry. (Senators Echols, Getto, Kosinski and Wagner voted "No".)

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Senator Kosinski moved "No Further Consideration" on Senate Bill No. 426.

Senator Wagner seconded the motion.

The motion carried. (Senators Gibson and Ford voted "No". Senator Keith Ashworth was absent for the vote.)

ASSEMBLY BILL NO. 139

Amends charter of City of Reno to require councilmen be elected by voters of their respective wards.

Senator Ford voted "Indefinite Postponement" on Assembly Bill No. 139.

Senator Echols seconded the motion.

The motion carried. (Senators Wagner and Kosinski voted "No".)

ASSEMBLY BILL NO. 216

Prohibits naming of certain public works after living persons.

Senator Kosinski moved "Amend and Do Pass" on Assembly Bill No. 216. His amendment provided that this bill would not affect the name of any building which had already been named pursuant to a formal action of the governing body which had control over providing a name for a particular building.

Senator Ford seconded the motion.

The motion failed to carry. (Senators Gibson, Keith Ashworth, Getto and Echols voted "no".)

REAPPORTIONMENT

Mr. Andrew Grose, Research Director, discussed the new reapportionment maps with the committee.

As there was no further business, meeting was adjourned at 5:20 p.m.

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Respectfully submitted by:

Anne L. Lage  
Anne L. Lage, Secretary

APPROVED BY:

James I. Gibson  
Senator James I. Gibson, Chairman

DATE: 4/29/81



SENATE AGENDA

COMMITTEE MEETINGS

Committee on Government Affairs, Room 243.  
Day Monday, Date April 13, Time 2:00 p.m.

A. B. No. 29--Provides for review by state agencies of water quantity and sewage disposal in planned unit developments.

A. B. No. 275--Creates and eliminates certain funds and changes certain accounting practices.

A. B. No. 301--Broadens eligibility of public employees to retain group insurance upon retirement.

A. B. No. 322--Changes time for observance of Nevada Mineral Industry Week.

S. B. No. 511--Revises provisions on powers and duties of administrator of division of Colorado River resources in department of energy.

Reapportionment Study Session



DEPARTMENT OF ENERGY

EXHIBIT C

DIVISION OF COLORADO RIVER RESOURCES  
TESTIMONY REGARDING SENATE BILL NO. 511  
SENATE GOVERNMENT AFFAIRS COMMITTEE

April 13, 1981

Mr. Chairman and Committee Members, I am Duane Sudweeks, Administrator of the Division of Colorado River Resources. With me is E. B. (Bud) Stolle, Chief of Power Marketing. We are here to testify in support of Senate Bill No. 511.

The amended legislation in S.B. 511 is intended to broaden the authority of the Nevada Department of Energy, Division of Colorado River Resources to (1) more accurately define the Division's activities in today's electric service market, and (2) to provide the Division the tools which may be needed to meet the electrical energy requirements in the future.

The amendments to NRS 538.161, subsection 3. allow the Division, as an agent of the State, to engage in electric resource generation facilities planning and development activities along with transmission systems for delivery of electric energy to load centers. The Division, acting in the name of the State, could also own generation and transmission facilities in whole or in part if such action offered real benefit to the State. We look upon this amendment as a vehicle under which the State may provide a service, in the public interest in concert with electric utilities in Nevada, should engagement in such activities merit favorable consideration in

the future. The provision added on page 1, lines 21 through 23 of this subsection is intended to safeguard the interest of the electric utilities in Nevada against direct service to consumers of electrical energy within their service area by the Nevada Department of Energy or its Division of Colorado River Resources, or successor agency of the State, except at the request of and by agreement with the electric utility in whose service area the direct service consumer is located.

The language deleted from NRS 538.161, subsection 2, page 1, lines 19 through 20 must be restored. This language was specifically developed to allow Valley Electric Association, an REA customer of the State, to serve loads in its Fishlake Valley area, some of which lies in California.

The additional language in NRS 538.181, subsection 1, page 2, lines 38 through 40, expands the authority of the Administrator to enter into electrical energy exchange agreements which would include seasonal exchanges and/or exchanges associated with pooling arrangements agreed to among the State's contractors to derive the benefit of season or month load pattern diversity. The Division has encouraged such pooling arrangements and these residents within participating customers' service areas have enjoyed substantial cost savings over the past several years. The amendment also broadens the marketing authority of the Administrator to include transmission and other electrical energy distribution services deemed necessary coincidental with the amendment of NRS 538.161 discussed earlier.

NRS 538.161, subsection 4, presently requires that before any sale of power and/or water is made, the Division must advertise same for two weeks and shall allow 10 days after the last publication for any person who may so elect to file a notice of objection. If an objection is filed, a hearing must be held within thirty (30) days after the date of notice.

The present electric power resource of certain of the State's small utility customers which own no generating facilities is rapidly becoming insufficient to accommodate load growth needs. They have, on their own, located a source of supply for additional power.

To gain the most efficient use of their available resources, the Division, several years past, initiated a pooling arrangement among these contractors under which surplus power of one or more of the contractors is in effect loaned to others in the pool who at that time are short. The loan is repaid by the users at another time when they have excess power and the loaner is short. This is possible because of the diversity in their seasonal and/or monthly load patterns and the economic advantage is substantial.

These contractors have requested that the State enter into contract with those suppliers of the additional resource, located and secured by them. All costs which accrue to the State under a contract with the supplier would be assumed by these contractors under separate contracts between the State and each contractor for a portion thereof. The additional electrical energy would be co-mingled with their present resources for pooling purposes.

Through such an arrangement their collective needs can be satisfied with a smaller amount of additional electrical power than would have been required had they each entered into a separate contract with the supplier. Advertisement of such sales, coupled with the possibility of an objection and a hearing, is both costly and time consuming and could well place the Division in the awkward position of holding unnecessary hearings on the sale of power which properly should go to the finder. Subsection 5.(a), page 3, lines 13 through 17, has been added to eliminate the need for advertising the sale of power under these conditions.

The Division is at times offered short-term interruptable power for immediate acceptance at attractive prices which can be used by holders of long-term firm power contracts. During the past year, the savings to the State's contractors, which could take delivery of such interruptable power, was in the order of one million dollars. At times deliveries to the State's contractors are under way within twelve (12) hours after notice of availability. These transactions are conducted by telephone and deliveries are scheduled in by the Area Load Control Dispatchers within the maximum rates of deliveries and price ceiling pre-established by the Division with the supplier. Complying with the advertising requirement of subsection 4 is not practical for such sales. Subsection 5.(b), page 3, lines 18 through 21, has been added to negate the need for advertising interruptable, short-term, immediate acceptance power sales.

The language "Except as otherwise provided in subsection 2 of NRS 538.251" has been added to subsection 6, page 3, line 22. NRS 538.251, subsection 2 is new language which eliminates the need for the ratification and approval by the Governor of agreements made by the Division with a supplier to take delivery of interruptable short-term immediate acceptance power or the sale thereof to holders of long-term firm power contracts with the state. They are "in good faith" verbal transactions and common in good utility practice today.

NRS 538.251, subsection 1, page 3, line 35, is amended to add the words "except as provided in subsection 2" to eliminate the need for approval by the Governor of agreements by the State with a supplier to take delivery of interruptable short-term immediate acceptance power or the sale thereof to holders of long-term firm power contracts with the State. As stated earlier, such agreements are verbal "in good faith" transactions.

The words "from other entities shall not be", page 3, line 41, are deleted to remove possible limiting constraints with respect to sources from which power could be acquired. The words "or for planning, development or ownership of facilities for the generation and transmission of electricity are not" added in lines 41 through 43, page 3 are needed to harmonize with the changes to NRS 538.161, subsection 2, discussed earlier.

Staff believes there are additional amendments which must be added to S.B. 511 concerning the authority of the Administrator. These changes will make NRS 538.211 consistent with the changes presented in S.B. 511. Changing the following subsections

provides the authorization for participation in or ownership of transmission facilities by the State. We also propose an additional subsection to NRS 538.211 which will be subsection 4.

The Attorney General's Office at the request of the Division prepared a legal memorandum which presented an opinion of Nevada's legal position concerning the reallocation of Hoover electrical resources upon the termination of the present contract period in 1987. This memorandum indicates a requirement could be, compensation be made to other allottees for any facilities rendered idle as a result of an increased allotment for Nevada. This compensation question is a matter that requires further legal research. The compensation issue must be considered and offset against any potential gain in considering the available options. However, should legal action become necessary there must be statutory authority provided to the administrator to fulfill the requirements of the Boulder Canyon Project Act of 1928. I should also point out that although this statute constitutes authorization to make compensation, the Administrator must return to the Legislature to acquire appropriation of funds or specific authorization to sell bonds to fulfill the monetary requirements.

You have been provided with a copy of the proposed changes in NRS 538.211. The deleted language is enclosed in brackets; the new language is underlined.

#### REVIEW PROPOSED AMENDMENT

We would be happy to answer any questions you may have concerning S.B. 511 or the proposed amendments.

508



PROPOSED AMENDMENT TO SENATE BILL NO. 511

NRS 538.211 is hereby amended to read as follows:

538.211 Administrator empowered to request installation of water service facilities, electrical generating machinery, equipment, transmission facilities; repayment contracts; faith, credit of state pledged.

1. Notwithstanding anything in NRS 538.041 to 538.251, inclusive, to the contrary, the administrator may request, on behalf of the State of Nevada, from the Secretary of the Interior of the United States the installation of water service facilities and electrical generating machinery and equipment or water service facilities or electrical generating machinery, [and] equipment and transmission facilities as the administrator in his discretion may deem necessary or convenient to meet and serve the future water and power demands and requirements of the State of Nevada, and he shall negotiate for and obtain and enter into and execute and cause to be executed such contracts, documents and instruments as are appropriate and requisite to carry such requests into effect.

2. In the contracts, documents and instruments referred to in subsection 1, the administrator may:

(a) Obligate the State of Nevada to repay the cost of water service facilities constructed by the United States;

(b) Obligate the division to operate and maintain water service facilities constructed by the United States;

(c) Sell Colorado River water, at wholesale, and deliver it through water service facilities constructed by the United States under contracts to be approved by the United States and upon charges which will yield to the division revenues sufficient to repay the costs of such facilities and their operation and maintenance and, in addition, the cost of the water;

(d) Require each purchaser of Colorado River water from the division to exercise such powers as such purchaser may possess to levy and collect taxes or assessments for the purposes of meeting the charges payable to the division; and

(e) Agree to institute in the eighth judicial district court of the State of Nevada, and to prosecute to final judgment, including appellate review, proceedings to determine the validity of any contract or other obligation entered into with the United States under the provisions of subsection 1. Jurisdiction is hereby conferred upon such court, and generally upon each of the district courts of the State of Nevada, to conduct proceedings for such purpose as in the ordinary case of the judicial determination of proceedings, contracts, bonds and obligations of water conservancy districts as provided in NRS 541.380 to 541.420, inclusive. Such proceedings may be initiated by and in the name of the administrator.

3. In the event of the installation of any water service facilities and electrical generating machinery and equipment or water service facilities or electrical generating

machinery, [and] equipment and transmission facilities pursuant to a request therefor by the administrator, the faith and credit of the State of Nevada hereby is and shall be irrevocably pledged for the performance and observance of all covenants, conditions, limitations, promises and undertakings made or specified to be kept, observed or fulfilled on the part of this state, in any contract heretofore or hereafter entered into with the United States of America.

4. In the event the State of Nevada must purchase or acquire the property or compensate for damage to the property of public or private utilities used and useful in the transmission and distribution of electrical energy resulting from an increase of the state's allocation of energy and power from Hoover Dam, the faith and credit of the State of Nevada hereby is and shall be irrevocably pledged for the performance and observation of all conditions, limitations, promises and undertakings made or specified to be kept, observed or fulfilled on the part of the state, in any contract heretofore or hereafter entered into pursuant to this section.



# Nevada Legislature

SIXTY-FIRST SESSION

EXHIBIT D

April 10, 1981

## M E M O R A N D U M

TO: Chairman and Members of Senate Committee on  
Government Affairs

FROM: Joe Dini, Chairman, Assembly Committee on  
Government Affairs

SUBJECT: Statement on A.B. 29 (Second Reprint) - State  
Agency Review of Planned Unit Developments

### STATEMENT

A.B. 29 requires the state divisions of water resources and health to review and approve planned unit developments as they do subdivisions of land.

A planned unit development is simply a subdivision in which the individual lot lines have been wiped out and the housing units have been clustered in some manner. Thus, the effects on water availability, sewage disposal capacity, water quality, and water supply facilities are the same whether a project is a planned unit development or a subdivision.

A.B. 29 would close the loophole in existing law which allows people to circumvent the intent of the subdivision law by processing a planned unit development. The operative language is found in two places. The first is on lines 10-13 of page 1. It reads:

The application for tentative approval must include a tentative map. Tentative approval may not be granted pursuant to NRS 278A.490 until the tentative map has been submitted for review and comment by the agencies specified in NRS 278.335.

The agencies specified in NRS 278.335 are the state divisions of water resources, environmental protection, and health. This section authorizes these agencies to review and comment on the tentative maps for planned unit developments, just as they do for tentative subdivision maps.

The next significant portion of the bill is on lines 12-18 of page 2. The county recorders are directed not to file the final maps of planned unit developments unless the maps include certificates of approval from the state divisions of water resources and health, or unless evidence is submitted to indicate that the state agencies' approvals were requested more than 30 days previously.

It has been a long-standing policy that these two state agencies approve subdivisions. The same logic which established and upheld this policy supports their approval being required for planned unit developments.

And it should be pointed out that the state health division is required to delegate its review and approval authority to the local entities, if the localities so request and if they are adequately staffed. So, as much of the authority is kept "close to home" as is at all possible.

A.B. 29 is good, basic planning for our natural resources and communities. In a time of rapid growth and development, we need this kind of planning, and our citizens deserve these safeguards to their health and basic natural resources.

FWW:jlc

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AMENDMENTS TO AB 29

EXHIBIT E

On page 2, line 28, After Sec. 4 insert:

This act does not apply to any planned unit residential development plan which has been tentatively approved by a city or county prior to the effective date of this act.

Sec. 5. This act shall become effective upon passage and approval.

AUDIT DIVISION  
 AB 275  
(BDR 31-313)

EXHIBIT F

In the 53 audit reports the Audit Division presented to the Legislative Commission in the last two years, there were many recommendations regarding the creation, repealing, categorizing, and retitling of funds in the State's accounting system. The two funds created in this BDR were already in existence having been created administratively. The 15 funds being abolished were not being used and the accounting was being accomplished in some other fund. We also made recommendations regarding the depositing procedures of money with the State Treasurer. The final thing this bill does is retittle all of the Intragovernmental Service Funds to Internal Service Funds. This change was made by the Municipal Finance Officers Association after considerable study, and is endorsed by the American Institute of Certified Public Accountants.

Sections

Sections in which Intra-governmental Service Funds are retitled to Internal Service Funds	1, 2, 8, 11, 13, 14, 15, 16, 17, 18, 19, 20
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The following agencies are affected by other accounting features of this bill:

Controller	9
Supreme Court	3, 4, 5, 6, 7, 43
Library	30
Human Resources	33, 34, 35, 36, 37, 38, 39
Department of Taxation	22, 23, 24, 25, 26, 27, 28, 29
Dairy Commission	41, 42
Economic Development	10
Indian Affairs	12
Printing Plant	21
Military Department	31
Veteran Affairs	32
Colorado River Commission	40

Summary of Funds:

Two new funds created (Controller's Office and Colorado River Commission)	<u>2</u>
Number of funds removed from statutes. However, function for which fund was put in law not changed	<u>15</u>
Number of funds only catagorized as to type	<u>2</u>
Number of funds retitled	<u>13</u>

AUDIT DIVISION  
AB 275  
(BDR 31-313)  
(Continued)

NUMBER OF FUNDS RETITLED

(Sections 1,2,18,11,13,14,15,16,17,18,19,20,31)

Section 1 of the bill sets forth the different funds and group of accounts that are to be used in accounting for the financial transactions of the State. If you will note, D, on line 8, formerly was "Intragovernmental Service Funds." In accordance with the Municipal Finance Officers Association, from which this was taken initially, we are retitling the overall category to Internal Service Funds. Accordingly, this meant that we had to go through and also change the title from Intragovernmental Service Funds to Internal Service Funds in the various statutes. This was accomplished in the sections of this bill set forth above. The only exception to that is in Section 31, a fund is titled both as a special revenue fund and as a construction fund. This isn't feasible and it is a special revenue fund which is the way we have set it forth in Section 31.

The change from Intragovernmental Service Funds to Internal Service Funds was accompanied by a corresponding change in the definition which broadened the units of government which these particular funds may service. The former definition for these types of funds reads as follows:

"Intragovernment Service Funds are to account for the financing of special activities and services performed by a designated organization unit within a government jurisdiction for other organization units within the same governmental jurisdiction."

It now reads:

"Internal Service Funds - To account for the financing of goods or services provided by one department or agency to other departments or agency of the governmental unit or to other governmental units on a cost reimbursement basis."

CONTROLLER'S OFFICE  
(Section 9)

In this section we are creating the State Payroll Trust Fund. This provides that all transactions relating to the paying of salaries or employees, and related payroll costs which are held by the State Controller, must be accounted for in the State Payroll Trust Fund which is hereby created. This has been created and has been in operation, and this just puts the fund in the statutes.



AUDIT DIVISION  
AB 275  
(BDR 31-313)  
(Continued)

SUPREME COURT  
(Sections 3,4,5,6,7,43)

These sections relate to the manner in which the monies of the Supreme Court are deposited and accounted for. For example, in Section 3, subparagraph 7 of 2.250 provides that money shall be deposited each quarter with the State Treasurer. This, of course, is in conflict with the general law NRS 353.250 which requires that money be deposited weekly. In Section 4, we abolish the Law Library Fund which has never been used, and provide that the money will be accounted for in the Law Library's account which is the way they are accomplishing that function currently. In Section 5, we abolish the District Judge Salary Fund as this is all General Fund money and is payed out of an account in the General Fund. Sections 6 and 7, we identify how the money will be deposited and to what credit it will be put to when deposited. Section 43 abolishes the Supreme Court Law Library Federal Fund which has not been used. The Court found that it would not be used and should be abolished.

STATE LIBRARY  
(Section 30)

This section abolishes the State Library Federal Fund and provides that the money will be credited to the appropriate account of the State Library. This is currently what they are doing and are not using the fund at all.

HUMAN RESOURCES  
(Sections 33,34,35,36,37,38,39)

When the NRS sections incorporated in these sections of this bill were enacted, funds were created in which the accounting for the particular function was to be accomplished. These funds have never been used and all of the accounting has been accomplished in accounts with the General Fund, which is appropriate. Accordingly, what we are doing in these sections is to eliminate the fund and provide that the money, and most of it is appropriated by the Legislature, must be accounted for in particular accounts. Again, these would be in the General Fund. We are eliminating the "Aid to Dependent Children Fund" and the "State Child Welfare Services Fund." We've eliminated the requirement that a separate canteen fund be created for each Division mental health facility and instead provide that these functions will be accounted for within accounts of the Mental Health facilities. This is currently the way they are carrying out that function. We eliminate the Mental Retardation Resident Placement Fund and provide that money will be accounted for separately. We've eliminated the Community Training Center Fund and provided that that will be accounted for within the appropriate account of the Division.

AUDIT DIVISION  
AB 275  
(BDR 31-313)  
(Continued)

DEPARTMENT OF TAXATION  
(Sections 22, 23, 24, 25, 26, 27, 28, 29)

The Tax Commission has had several funds in their statutes which they have not been using. We have not been able to amend these funds out of the statutes and include instead the manner in which they are accounting for their financial transactions. Last session, as a result of voter action, the administrative control was given to the Legislature and now we can amend their statutes as they relate to the sales and use taxes, to set forth therein the way they are handling the accounting with which we concur. In Sections 22 and 23, we eliminate the combined Gas Tax Fund which has never been used. Section 24, we eliminate the Liquor Tax Fund which has never been used and provide that there will be a liquor tax account in the State General Fund. Section 25, we eliminate the Cigarette Tax Fund which has never been used and provide that that will be accounted for in the Intragovernmental Trust Fund. Section 26, we eliminate the Sales Tax Fund and provide that all money will be accounted for in the sales and use tax account in the State General Fund. Section 28, we eliminate the Local School Support Tax Fund and provide that that money will be accounted for in the sales and use tax account in the State General Fund. Section 29, we eliminate the City County Relief Tax Fund and provide that the money will be initially deposited in the sales and use tax account in the State General Fund. Now it is important to note that in none of our amendments have we changed the amount of taxes that must be payed, nor have we changed the distribution of that money to those various governmental units that receive the money. These amendments set forth in law the way that they are currently accounting for the receipt and distribution of the tax money. In our mind, this is working extremely well and we feel that it is not necessary to have all of those funds to account for this money.

DAIRY COMMISSION  
(Section 41 and 42)

In Section 41, we have amended into the purposes for which the fund may be used NRS Sections 584.176 through 584.179. These particular sections relate to substitute dairy products which the Dairy Commission shall administer and enforce. However, this was never amended into the uses of the money of the Dairy Commission Fund. In Section 42, we are removing the requirement that the money will be deposited monthly. There is a general statute in the books that NRS 353.250, which sets forth how frequently the money must be deposited, which currently is weekly. Rather in this section, spell out weekly we have let the general section rule and if that is changed, then the agency would change accordingly and it would not be necessary to amend each statute when money must be deposited.

AUDIT DIVISION

AB 275

(BDR 31-313)

(Continued)

ECONOMIC DEVELOPMENT

(Section 10)

Again, this was where the Director would have to deposit the money only quarterly with the State Treasurer. Again, as I explained before, they must deposit the money with the State Treasurer, but based on their statute now, they follow the general law.

INDIAN AFFAIRS

(Section 12)

This is just a categorization where we categorize the Gift Fund as a trust fund.

PRINTING PLANT .

(Section 21)

This again is where we are taking out the deposit each month and requiring it be deposited with the State Treasurer, and to follow the general law.

VETERAN AFFAIRS

(Section 32)

This is where we are categorizing the Veterans' Relief Fund as a special revenue fund.

COLORADO RIVER COMMISSION

(Section 40)

In this section we are creating the Colorado River Resources Fund, which they had been using, in which we are now incorporating in the statutes. In that section we also provide how the money will be used and how it will be transferred by the State Controller from the different funds that the Colorado River Commission currently has.

Attached are letters from the Department of Taxation, Department of Human Resources, Dairy Commission, Colorado River Commission, and the State Printer. Also attached are correspondence with the Supreme Court and the State Librarian. All of the agencies, during the audit, agreed to these particular changes.

Department of Taxation

Capitol Complex

CARSON CITY, NEVADA 89710

Telephone (702) 885-4892

In-State Toll Free 800-992-0900



ROBERT LIST, *Governor*

ROY E. NICKSON, *Executive Director*

February 24, 1981

Mr. John R. Crossley, C.P.A.  
Legislative Auditor  
Legislative Counsel Bureau  
Capitol Complex  
Carson City, Nevada 89710

Dear John:

Roy Nickson directed me and our staff to review the proposed statutory revisions dealing with deposits and distribution of money handled by this department.

We are in full agreement with the proposed amendments and look forward to their introduction and passage.

Sincerely yours,

A handwritten signature in cursive script that reads "JEANNE".

Jeanne B. Hannafin  
Deputy Executive Director

JBH:mfs



ROBERT LIST  
GOVERNOR  
RALPH R. DISIBIO, Ed.D.  
DIRECTOR

STATE OF NEVADA  
DEPARTMENT OF HUMAN RESOURCES

CAPITOL COMPLEX  
ROOM 600, KINKEAD BUILDING  
505 E. KING STREET  
CARSON CITY, NEVADA 89710  
TELEPHONE (702) 885-4730

March 3, 1981

DEPARTMENTAL  
DIVISIONS  
AGING SERVICES  
HEALTH  
MENTAL HYGIENE-  
MENTAL RETARDATION  
REHABILITATION  
WELFARE  
YOUTH SERVICES

MEMO #56

TO: JOHN CROSSLEY, C.P.A.  
LEGISLATIVE COUNSEL BUREAU

FROM: RALPH R. DISIBIO, Ed.D.

BY: FRANKLIN M. HOLZHAUER *FH*

SUBJECT: BILL DRAFT #31-313

We have reviewed those sections of your bill draft #31-313 which pertains to the budgets of the divisions of our department. Other than the question already resolved regarding the non-reverting of funds in Mental Retardation, we find no problems with the proposed changes. These are accounting changes which, according to your office, clean up language which is inconsistent with practice and should reduce some paper work connected with computerized reporting.

F.M.H.

FMH/ls

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710



ARTHUR J. PALMER, Director  
(702) 885-5627

LEGISLATIVE COMMISSION (702) 885-5627

KEITH ASHWORTH, Senator, Chairman  
Arthur J. Palmer, Director, Secretary

INTERIM FINANCE COMMITTEE (702) 885-5640

DONALD R. MILO, Assemblyman, Chairman  
Ronald W. Sparks, Senate Fiscal Analyst  
William A. Bible, Assembly Fiscal Analyst

FRANK W. DAYKIN, Legislative Counsel (702) 885-5627  
JOHN R. CROSSLEY, Legislative Auditor (702) 885-5620  
ANDREW P. GROSE, Research Director (702) 885-5637

February 27, 1981

Dr. Ralph DiSibio  
Director  
Department of Human Resources  
Kinkead Building - Room 600  
Capitol Complex  
Carson City, Nevada 89710

Dear Dr. DiSibio:


Section 38 of BDR 31-313 amends NRS 435.120 as follows.

435.120 Any [moneys] money collected by the division under NRS 435.060 to 435.110, inclusive, [shall be deposited in a separate nonreverting fund in the state treasury and shall] must be deposited in the state treasury, accounted for separately by the division and must be expended for the augmentation of the mental retardation residential placement [fund, hereby created in the state treasury,] function, in accordance with the allotment, transfer, work program and budget provisions of NRS 353.150 to 353.245, inclusive.

The amendment set forth above does not change the concept that any money collected under NRS 435.060 through 435.110 does not revert to the State General Fund. Any amount collected and not used in a fiscal year must be carried forward to the next fiscal year. Any money collected in accordance with 435.060 through 435.110, according to NRS 435.120, must be used for the augmentation of the mental retardation resident placement function.

Currently, this money is being accounted for in General Fund Budget Account 3167.

Sincerely yours,

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

JRC:hjr

pc: Frank Daykin, Legislative Counsel  
Howard E. Barrett, Director  
Department of Administration  
Jerry Griepentrog, Administrator  
Mental Hygiene and Mental Retardation Division



THE STATE OF NEVADA  
DAIRY COMMISSION

255 WEST MOANA LANE, SUITE 109 (702) 784-6221  
RENO, NEVADA 89509

ROBERT LIST  
GOVERNOR

WILLIAM X. SMITH  
SECRETARY-EXECUTIVE DIRECTOR

GREG NIXON, CHAIRMAN  
BANK EXECUTIVE

JAMES C. ANDRUS, CHAIRMAN  
CERTIFIED PUBLIC ACCOUNTANT

JAMES R. "DICK" GARRETT, PH.D.  
AGRICULTURAL ECONOMIST

JAMES J. BAUMBERGER  
FINANCE EXECUTIVE

September 26, 1980

Mr. John R. Crossley, C.P.A.  
Legislative Auditor  
Legislative Counsel Bureau  
Legislative Building  
Capitol Complex  
Carson City, Nevada 89710

Dear John:

Received your letter of September 24th and the copy of the proposed legislation which you will have introduced at the 1981 session of the Legislature. Just a short note to thank you and your staff for your assistance in this matter.

Sincerely,

William X. Smith  
Executive Director

WXS:bp



STATE OF NEVADA

DIVISION OF COLORADO RIVER RESOURCES

ADDRESS REPLY TO  
P O BOX 19090  
LAS VEGAS, NEVADA 89119

TELEPHONE (702) 733-7755

OFFICE ADDRESS  
4220 MARYLAND PARKWAY  
BUILDING B, SUITE 402  
LAS VEGAS, NEVADA 89109

March 3, 1981

Mr. John R. Crossley, CPA  
Legislative Auditor  
Legislative Counsel Bureau  
Audit Division  
Legislative Building, Rooms 327 and 345  
Carson City, Nevada 89710

Dear Mr. Crossley:

We suggest one minor change in Section 40 of the general accounting bill submitted with your letter of February 23, 1981. In the second sentence of Subsection 3, we recommend deletion of the words "energy to" between the words "and" and "water" and deletion of the word "uses" between the words "water" and "must". The sentence will then read as follows: "All transactions not accounted for in the Colorado River resources fund and the Colorado River research and development fund involving the purchase and subsequent sale of power and water must be accounted for in this fund."

Bill  
amended in  
Assembly  
for this  
request

If you feel it is necessary, or would be helpful, for us to testify when the bills are considered by Senate and Assembly committees, just let me know.

Sincerely,

Duane R. Sudweeks  
Administrator

Enclosure

524



River research and development fund in addition to defraying the cost to the division of water and power delivered. When collected, [such] these additional revenues [shall be paid directly to the state treasurer and deposited by him in the Colorado River research and development fund.] must be deposited with the state treasurer for credit to the fund.

3. There is hereby created the Colorado River power and water fund as a special revenue fund. All transactions not accounted for in the Colorado River resources fund and the Colorado River research and development fund involving the purchase and subsequent sale of power and ~~energy to~~ water ~~uses~~ must be accounted for in this fund. All revenues received must be deposited with the state treasurer for credit to this fund. Any balance in this fund on June 30 of each fiscal year must be transferred to the Colorado River resources fund the following fiscal year.

4. Money in the funds provided for in this section must be paid out on claims as other claims against the state are paid, after the claims have been approved by the administrator.

STATE OF NEVADA  
DEPARTMENT OF GENERAL SERVICES

PRINTING DIVISION  
301 S. Stewart Street  
Carson City, Nevada 89710  
(702) 885-4860

DIVISIONS  
Purchasing  
Printing  
Data Processing  
Accounting  
Buildings and Grounds

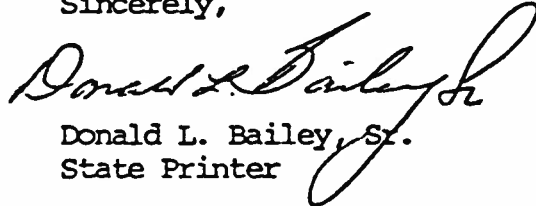
August 14, 1980

John R. Crossley, Legislative Auditor  
Legislative Building  
Room 327 and 345  
Carson City, Nevada 89710

Dear John:

It is alright with me, for you to request legislation to change the amendment. I understand we want to amend 344.120 to conform to NRS 353.250, regarding timeliness of deposits. Please call if there are any questions.

Sincerely,



Donald L. Bailey, Sr.  
State Printer

DLB:sn

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-5627

KEITH ASHWORTH, *Senator, Chairman*  
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JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-5620  
ANDREW P. GROSE, *Research Director* (702) 885-5637

MEMORANDUM ON BDR 31-313

On February 24, 1981, John Crossley, Legislative Auditor, and Nick Shulkla, Deputy Legislative Auditor met with Mike Brown, Director of the Administrative Office of the Courts, regarding Sections 3, 4, 5, 6, 7, and 43 of BDR 31-313. These particular sections relate to the depositing of monies by the Supreme Court and the related amendments to the funds and accounts under their jurisdiction.

Mr. Brown informed me that he had no problem with the amendments and would support them.

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

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

JRC:rie  
pc: Mike Brown

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710



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ANDREW P. GROSE, *Research Director* (702) 885-5637

BDR 31-313

On March 2, 1981, John R. Crossley, Legislative Auditor, called Mr. Joseph Anderson the State Librarian regarding section 30 of the BDR 31-313. This particular section relates to how money is to be accounted for in the Library.

Mr. Anderson informed me they had no problem with the amendment and would support it.

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