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SENATE AGENDA
for the
COMMITTEE ON FINANCE

Day Wednesday Date April 23, 2003 Time 7:55 a.m. Room 2134

If you cannot attend the meeting, you can listen to it live over the Internet. The address for the legislative website is <http://www.leg.state.nv.us>. For audio broadcasts, click on the link "Listen to Live Meetings."

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Senate Committee on Finance at (775) 684-1488.

(R#) Indicates the reprint number of the bill/resolution being considered.

PLEASE PROVIDE 15 COPIES OF YOUR EXHIBITS AND NOTES.

Note: The Committee on Finance will be meeting at 7:55 a.m. as the Interim Finance Committee. Upon adjournment of the Interim Finance Committee, the Committee on Finance will commence hearing the following bills and budget closings.

SECOND REVISED AGENDA

BILLS

S.B. 180 Requires provision of independent research staff for Legislators of each political party represented in Legislature. (BDR 17-145)

S.B. 214 Revises provisions concerning enforcement of requirement of registration of motor vehicle by new resident of this state. (BDR 43-1058)

S.B. 368 Provides for reimbursement of Legislators for certain travel expenses incurred during legislative interim. (BDR 17-676)

S.B. 391 Provides for stipends and payment of costs of postage for Legislators under certain circumstances. (BDR 17-949)

S.B. 420 Makes various changes relating to Division of Wildlife of State Department of Conservation and Natural Resources. (BDR 45-1254)

CLOSE BUDGETS

ITEMS FOR COMMITTEE CONSIDERATION

1. **S.B. 493** - *Makes supplemental appropriation to Office of the Military for unanticipated shortfall in money for utility costs in Fiscal Year 2002-2003. (BDR S-1335)* - The Senate Committee on Finance heard this legislation on Monday, April 21, 2003. At that time, based on salary adjustment work sheets provided by the Budget Division, it was believed the Department was receiving salary adjustment funds in fiscal year 2003 to meet projected salary costs in fiscal year 2003. The Department was also proposing to utilize \$45,268 in "salary savings" to reduce the projected utility shortfall in fiscal year 2003. Since an agency cannot receive salary adjustment funds and then transfer funds from the salary category to address other needs within a budget, staff expressed concern indicating the supplemental would need to be increased by the amount of the funding received for salary adjustment. Subsequent to the Monday meeting, the Budget Division has transmitted a revised salary adjustment work sheet disclosing no salary adjustment funds will be provided to this Department for fiscal year 2003. This alleviates staff concern in this area, however, the Department advised yesterday they have been notified by Southwest Gas that they have been under-billed since December 2001 for natural gas service. This results in additional costs of approximately \$12,782 of which \$5,090 is applicable to fiscal year 2003 and \$7,682 is applicable to fiscal year 2002. Staff recommends this supplemental be amended from \$131,604 to \$137,000 to fund the projected utility costs for the balance of fiscal year 2003. The Department will seek approval from the State Claims Account for the payment to Southwest Gas that is applicable to fiscal year 2002.
2. **A.B. 253** - *Makes supplemental appropriation to State Distributive School Account in State General Fund for unanticipated shortfall in Fiscal Year 2002-2003. (BDR S-1224)* The Senate Committee on Finance heard this legislation on Monday, April 21, 2003. At that time staff expressed the desire to review the latest sales tax information to determine the impact on the supplemental need. The latest sales tax information was provided to staff yesterday afternoon; LSST collections (8 months of fiscal year 2003; February business, March collections) are up 6.2% as compared to the Economic Forum projection of 5.2%. Out-of-State LSST (same time period) is down 2.4% as compared to the Economic Forum projection of an increase of 5.2%. Applying this updated information results in a minimal impact to the supplemental need and staff would recommend approval of the legislation without amending. Staff would also remind the committee a portion of the supplemental need funding (approximately \$7.9 million) is recommended by the Governor to be provided via a transfer from the Fund for School Improvement (Estate Tax). This would increase the funding from this source from the \$29.5 million as approved by the 2001 Legislature to approximately \$37.4 million. Staff advised the committee on Monday that collections from the Estate Tax (as applicable to K-12) have averaged approximately \$1.3 million per month. However, collections for the most recent 3 months have averaged approximately \$800,000. Revenue from this source is difficult to project since the State has received monthly distributions in fiscal year 2003 that have ranged (in total) from \$2.6 million per month to \$1.4 million per month. If the collections for the next 3 months come in at the \$800,000 range,

additional funding will be required to supplement the funding needs for the DSA in fiscal year 2003. This probably will be accommodated in the General Appropriations Act at the conclusion of the session. As a reminder to the committee, The Executive Budget has been developed with an estimate of \$16 million annually being provided from Estate Tax (approximately \$1.3 million per month).