

Assembly

Ways and Means Committee

Special Session, 1966

Nevada State Legislature, May 10, 1966

Meeting was called to order by Chairman James Gibson at 1:39 P.M. in Ways and Means Committee Room.

Present: Roy Young, Glenn Jones, Norm Glaser, Archie Pozzi, Cyril Bastian, James Bailey, Vernon Bunker, Ernie Johnson, Chairman Gibson.

Howard Barrett of Budget Department and Fiscal Department member Norman Terrell present, as well as Robert Mitchell of the Las Vegas Chamber of Commerce and members of the press.

Chairman Gibson asked Mr. Barrett to make his presentation concerning the budget. Mr. Barrett discussed estimates made in 1965 and those for the next two years. He said the Cigarette Tax had increased 2.06% more for this year than in 1965 and that he is estimating next year it will increase 1.97% more. He said he felt estimates had been very conservative in general, and that it was easier to estimate revenues as the period grew closer. General Fund - Property Tax discussion. Estimate for next year based upon assessed valuation. Reversions were discussed. Mr. Barrett said they amounted to (would amount to) \$750,000.00 for this year, \$1,000,000.00 for next year. Distributive School Fund discussed.

Chairman Gibson asked what contributed to the difference between the 1965 estimate of 1966-67 revenue and the current estimate, amounting to about \$1,100,000.00. Mr. Barrett said that in his estimate Savings and Loan and Real Estate estimates were not included in general receipts.

Mr. Barrett discussed gaming taxes, saying those collected from counties increased substantially.

Chairman Gibson asked about interest on bank deposits in amount of \$400,000.00. Mr. Barrett said the State Treasurer had begun investing funds at 4%. Chairman Gibson asked what had changed since April 1 to make them \$1,000,000.00 more optimistic. Mr. Barrett said there had been a big increase in gaming and casino entertainment taxes. Discussion of Sales Tax dropoff in Clark County. More discussion of 11% increase in gaming tax anticipated for next year, 13 1/2% this year. Mr. Barrett said 11% should be average in the next 5 or 6 years. Further discussion of Cigarette Tax. Mr. Barrett said the General Fund nets about .02¢ a pack, 80,000,000. packs are anticipated for this year, 3% increase the following year - overall 7% increase. Casino entertainment tax difficult to project.

Page 2
5/10/66

Discussion of projection of liquor tax. Discussion of General Fund balance if no appropriations were made at all - \$10,174,000.00. If appropriations recommended are passed, balance would be \$7,907,000.00, according to Mr. Barrett.

Meeting recessed until afternoon.

3:05 P.M. May 10 - meeting resumed.

Present: Chairman Gibson, Jones, Bailey, Young, Pozzi, Bastian, Johnson. 3:11 - Mr. Bunker

Norman Terrell, Fiscal Analyst discussed the budget and the small percentage by which he differed with Mr. Barrett.

Chairman Gibson said the committee and he are interested in attempting to project the impact of what will be done in the Special Session on problems to be faced in the coming biennium. Discussion of increasing current program. Discussion of means of getting extra revenue - Mr. Terrell felt programs could not be funded with present sources of revenue. Mr. Barrett felt revenues will be increasing except for casino entertainment tax. He felt increase would be 7% - moneys would be available for increase in the distributive school fund, including emergency funds asked for...7% increase in all budgets. Any new programs will need increased revenue. Mr. Bastian discussed expenditures for schools and prison. Mr. Gibson said he did not believe a 7% increase would cover everything, all budgets. He said he felt it would have to be studied carefully. Discussion of needs at prison.

Mr. Knisley brought up discussion of appropriation from the Highway Fund. Mr. Barrett said Highway Patrol is part of Administration. Discussed increasing highway patrol staff. Mr. Knisley said he didn't see how they could take funds from the gas tax to use for patrolmen, etc. Mr. Gibson asked if there had been an attorney's opinion on it. Mr. Barrett said not. Chairman Gibson said he felt discussions should be had with Mr. Barrett and Mr. Terrell on the budget impact. He said he felt there was no way to limit the need to 7% increase a year. Discussion of pressure on Federal participation in welfare programs, also highway safety program. Chairman Gibson announced the Committee would tour Stead Air Force Base at 9:00 a.m. Wednesday, the State Hospital in the afternoon, the Prison at 9:30 Thursday, and hear representatives from Clark and Washoe County School Districts in a joint meeting with Senate Finance Committee Monday afternoon at 2:00. Mr. Terrell introduced Mr. Bruce, Deputy Fiscal Analyst, assigned to the Committee. Meeting was adjourned at approximately 3:35 P.M.


Agnes Nelson, Stenographer


James I. Gibson, Chairman