

MINUTES OF MEETING ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS,
55TH LEGISLATIVE SESSION, MARCH 25, 1969

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Present: Smith, Getto, Lingenfelter, Hilbrecht, Branch, Dini, and
Bryan Hafen.

Absent: Mello and Wood. (Appeared later)

The meeting was largely attended by interested persons including the following:

Henry Etchemendy, Carson City, Nevada
Joseph E. Lister, Fallon, Nevada
Merton E. Domonske, Mayor-protem, Fallon, Nevada
William Goni, Nevada State Fiscal Officers Association
Lee Adler, Nevada Appeal, Carson City, Nevada
Al Seeliger, Nevada School Trustees Assn.
E. Warren Hursh, President, Nevada State Assn. of County Commissioners
Commissioner, Churchill County
John Meder, Ormsby County Commissioner
Ernie Johnson, Washoe County School Board
W. V. Olds, Churchill County Schools
Del Heidrich, Finance and Personnel Director, Reno, Nevada
Ed Greer, Associate Supt. of Personnel, Clark County Schools
Claude Cauble, City of Sparks
A. Trelease, Las Vegas, Nevada
H. Laird, Las Vegas, Nevada
John Sullivan, State Division of Health
Ralph Best, Sparks, Nevada
Charles A. Doyer, Sparks, Nevada
Gary L. Barton, Mineral County Recorder & Auditor
Paul E. Horn, Clark County Recorder, Las Vegas, Nevada
Leroy Bergstrom, K. Armstrong, Bernard Bergstrom, CPA's, Reno, Nev.
Stan Drakulich, Councilman, City of Sparks
A. H. Hyman, City Auditor, Henderson, Nevada
David B. Henry, Clark County Manager, Las Vegas, Nevada
J. Douglas, Sufeu, Chanslor, Barbieri & DeWhitt, CPA'S, Reno, Nev.
Martha G. Barlow, County Clerk, Treasurer, Hawthorne, Nevada

Chairman Smith acknowledged the large attendance and announced that from the make-up of those in attendance he felt that the consideration of AB 458 which provides that annual audit of funds and accounts of local governments shall be made under the supervision of the Nevada Tax Commission should be the first order of business.

An amendment to AB 458 had been prepared and printed for distribution to all those interested. Without exception, this amendment was commented upon by all of the local government officials and Certified Public Accountants concerned as being acceptable and as making the bill palatable. It was developed that this bill had not been acceptable in its original form to many of the entities involved. Mr. Goni speaking for the Nevada Association of Fiscal Officers Association said that with the amendment the bill is now satisfactory and good legislation.

An opportunity for each of the fiscal officers present as well as the public accountant representatives was given to express his approval of the amendment. None expressed a disapproval.

The amendment to AB 458 is made a part of this set of minutes.

Chairman Smith thanked each of the fiscal officers and auditors for their appearance and the support they had shown for the committee's attempts to make this bill a satisfactory piece of legislation. They were then excused from the meeting.

Hilbrecht moved the committee approve the amendment to AB 458 and a Do Pass as amended.

Branch seconded.

Motion unanimously passed.

Mr. Russel McDonald was introduced to the committee for his comments on AB 727 which provides that exercise of powers by local governments when based upon population are to be determined by 1960 national census.

Mr. McDonald said that the bill had been drafted with a calculated risk. About 15 years ago Washoe and Clark County population growths were recognized and an arbitrary figure of 80,000 for Washoe and 120,000 for Clark were used to direct special legislation to the application in those counties. Now, he said, Mr. Art Palmer has through research developed that the 1960 census figures used on the previous approximations would be largely changed in the 1970 census. Estimates of the latter 1968 population now indicate 125,000 for Washoe and 175,000 plus for Clark County.

Mr. McDonald suggested that with this change in mind using determinants of 100,000 for Washoe and 200,000 for Clark a new bill could be drawn that would be more easily applicable than AB 727. He recommended that the committee consider this.

Assemblyman Hilbrecht moved that the legislative counsel be requested to draw a new bill and refer it to the committee for consideration.

Motion seconded.

Motion passed.

Mr. McDonald said that he would proceed with the new bill. He was thanked and excused from the committee.

Hilbrecht moved AB 727 be indefinitely postponed.

B. Hafen seconded.

Motion unanimously passed.

Assemblyman Bart Schouweiler, Chairman of the Washoe-Storey delegation, appeared before the committee and introduced the members of the Washoe County Fair and Recreation Board.

Mr. John Chism, Stan Drakulich, and C. V. Thornton were present with their legal counsel from the Washoe County District Attorney's office, Mr. Hamilton.

Mr. Chism, Chairman of the Board, addressed the committee on AB 318 which authorizes certain county fair and recreation boards to expend "surplus" revenues and removes limitations on the boards' powers. He said that with the completed construction of the Pioneer Theatre Auditorium and the Centennial Coliseum the board is now making the required payments on its bond obligations but it is foreseen that some moneys may accrue which the board could use for promotion of, for example, a recreation area such as the Sky Tavern ski area.

It was developed by Mr. Hamilton that the Washoe County Fair and Recreation Board are confined by circumstances to being in effect a Convention board in that the County Public Works agency has been delegated the advisory responsibility for development of recreational areas and the fair grounds. They do this through recommendations to the county commissioners. The Fair and Recreation Board supports its program largely through the room tax assessments.

Representing the Motel Owners Association was Mr. Claudianos who told the committee that his group felt that any "surplus" funds the board may have should first be used for the retirement of the bonds, the financial support of "package plans" presented by the motel group for tourist promotion, or the lowering of the room tax to allow lower room charges.

Mr. Chism advised the committee, as did Mr. Hamilton, that the "surplus" funds referred to in AB 318 were not funds that could be used to retire the bonds. Also they are funds which by the covenants of the bonds could not be used to lower the room tax. It is not a large sum of money. He said that he may have used a poor example in mentioning the Sky Tavern ski area but that the bill would be enabling for the support of tournament golf courses or other projects to attract tourists.

Mr. Chism was asked if any of the funds could be used to compete with private industry. He replied that this would not be possible and emphasized that the board's contribution to the Chamber of Commerce was to enable private industry to develop their own promotions. He added that in any board program the motel owners would be most likely among the most benefitted.

The gentlemen were thanked for their presentation and excused from the meeting.

Lingenfelter moved Do Pass AB 318.

Motion seconded.

Motion unanimously passed.

Assemblyman Schouweiler said that the amendment to the Washoe County compensation bill for elected officials, AB 595, had been prepared. The committee acknowledged that they were familiar with it and asked that he present the amendment as it pertained to the office of the District Attorney. Mr. Schouweiler said the delegation had met with Mr. Raggio and the following plan adopted. The District Attorney will be paid an increase upon passage and approval of \$1,500. On January 1, 1971, he would receive another pay raise of \$1,500 which would bring the annual salary to \$21,000. The option of private practice was retained.

Hilbrecht moved Do Pass AB 595 as amended.

Lingenfelter seconded.

Motion unanimously passed.

AB 715 which clarifies administrative control over health districts and was discussed in the meeting of March 24th was brought to the committee's attention. Assemblyman Schouweiler

said that representatives of the Washoe District Health board were present. It was developed that there are three district health boards in the state, one in Clark, one in Washoe and one in Churchill County.

Present for comments on the bill were Deputy Attorney General Robert Grayson, Churchill County Health District Officer, and Orville A. Wahrenbrock, Assistant, Nevada Department of Health, Welfare and Rehabilitation.

Mr. Wahrenbrock stated that the Washoe Health District is opposed to AB 715 because they feel that they are being made subject to the county commissioners and that the rules and regulations of the Health District should not be taken from the district and placed under the county commissioners.

Chairman Smith read into the record a Resolution submitted by the Nevada State Board of Health and signed by Chairman Donald Guisto, M.D. opposing AB 715 and any other legislation which removes the authority of District Boards of Health to administer local public health programs. This Resolution is appended.

The Attorney General's opinion and the complaint of Washoe County are contained in the minutes of March 24th.

Mr. Grayson said that the problems of the Washoe County and Churchill County Health Districts are similar in that they are subject to the county commissioners administrative process. It was developed that this conflict does not exist in Clark County.

AB 600 which was amended and given a Do Pass by the committee was brought up for reconsideration. The various County Recorders and Auditors present testified that the bill as amended would deprive revenue to the smaller counties by attempting to centralize marriage certificate recording processes. Mr. Goni again speaking for the Fiscal Officers Association spoke against the bill as did Clark County Recorder Paul Horn. They were thanked for their comments and it was agreed that Mr. John Sullivan and the fiscal officers would receive due consideration of the revisions to AB 600 that would be acceptable.

Mr. Etchemendy Ormsby County Manager expressed concern over SB 75 which consolidates Ormsby County and Carson City into one municipal government. It was developed that the amendments have been prepared.

Lingenfelter moved SB 75 be amended and given a Do Pass as amended. Branch seconded.
Motion unanimously passed.

Senator Carl Dodge appeared before the committee to comment on SB 256 and SB 318.

SB 256 amends various provisions relating to irrigation districts. Senator Dodge outlined the amendments and their reasons for the benefit of the committee.

SB 318 amends the irrigation district law to increase authorized interest rate, redemption premium and denomination of bonds. Senator Dodge said that the bill increases the interest rate from 6% to 7% in conformity with other anticipated rates.

Senator Dodge was thanked for his presentation and excused.

Dini moved to amend SB 256 and Do Pass as amended.
Getto seconded.
Motion unanimously passed.

Dini moved Do Pass SB 318.
Getto seconded.
Motion unanimously passed.

Clark County Manager Dave Henry was asked to comment on AB 695 which authorizes county commissioners to determine indigency of hospital patients. Mr. Henry reiterated what the bill's sponsors had indicated. He said that in Clark County there is a great need for this bill to clarify the relationship between the hospital board of trustees and the county commissioners. He said if the clarification is not made and the hospital should become publicly-owned the confusion will be most damaging. It was developed that there is a definite need for the establishment of set standards as a criteria of determination. This would require an amendment to the bill.

Chairman Smith asked Assemblyman Getto to work with County Manager Henry to prepare an amendment to AB 695 for further consideration of the committee.

The meeting adjourned.

1.
ADDENDUM TO MINUTES OF MEETING ASSEMBLY COMMITTEE ON GOVERNMENT
AFFAIRS, MARCH 25, 1969

The following action taken by the committee was omitted from the
above minutes and should be included therein; 307

AB 675 permits county and city governing bodies to enter into
lease-purchase agreements for buildings.

Bryan Hafen moved Do Pass AB 675.

Motion seconded.

Motion unanimously passed.

PROPOSED RESTATEMENT OF AB458 DEALING WITH NRS 354.624
(Underlined Material is New)

354.624 1. Each local government shall provide for an annual audit of all funds and accounts of that local government, and may provide for more frequent audits as it deems necessary. Each annual audit shall be concluded and the audit report filed as provided in subsection 4 not later than 6 months from the close of the fiscal year for which the audit is conducted. An extension of this time may be granted by the Nevada tax commission to any local government which makes application for such extension. If the local government fails to provide for an audit in accordance with the provisions of this section, the Nevada tax commission shall cause such audit to be made at the expense of the local government. All audits shall be made by a public accountant certified or registered or by a partnership registered under the provisions of Chapter 628 of NRS.

2. The governing body may, without requiring competitive bids, designate such accountant or firm annually. The accountant or firm shall be designated not later than 3 months prior to the close of the fiscal year for which the audit is to be made.

3. Each annual audit shall cover the business of the local government during the full fiscal year. It shall be a comprehensive audit of the affairs of the local government, including comment on balance sheets accounts, results of operations, compliance with statutes and regulations, recommendations for improvements, and any other comments deemed pertinent by the auditor, and including his expression of opinion as to the adequacy of the financial presentation.

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The form of the financial statements shall be prescribed by the Nevada tax commission, and the chart of accounts shall be as nearly as possible the same as that used in the preparation and publication of the annual budget. The audit shall compare operations of the local government with the approved budget. Included shall be a statement from the auditor that previously noted deficiencies in operations and previously made recommendations for improvements contained in previous audit reports have been acted upon by adoption as recommended, adoption with modifications, or rejections.

4. The recommendations and the summary of the narrative comments of the audit report shall be read in full at a meeting of the governing body not more than thirty days after the report is filed. Immediately thereafter, the entire audit report shall be filed by the auditor as a public record with:

- (a) The clerk or secretary of the governing body;
- (b) The county clerk;
- (c) The Nevada tax commission;
- (d) In the case of school districts, the state department of education;
- (e) In the case of general improvement districts subject to the jurisdiction of the public service commission of Nevada pursuant to NRS 318.140 and 318.144, the commission;
- (f) The county bond commission; and
- (g) The fiscal analyst of the legislative counsel bureau.

5. If the Nevada tax commission, upon examination and evaluation of the auditor's report, deems the public interest to be best served by a re-examination of the local government's funds and

accounts, it shall designate that such re-examination shall be made, and shall appoint an auditor or auditors to conduct such examination. The Nevada tax commission shall define the scope of such examination. The expense of such examination shall be paid by the local government.

In determining whether such re-examination shall be made, the Nevada tax commission may seek the advice of:

- (a) The Nevada state board of accountancy;
- (b) Representatives of the local government involved;
- (c) The attorney general;
- (d) Any other knowledgeable or interested party or parties.

6. The Nevada tax commission shall refer to the attorney for the local government or the governing body all suspected violations of statutes, regulations or contractual agreements disclosed by any audit made under NRS 354.624. Unless satisfied by the attorney or other representative of the local governing board that such suspected violations have been cured or do not constitute violations, such suspected violations shall be referred to the attorney general not sooner than 60 days after reference to the attorney for the local government or the governing body. The attorney general shall institute such action as may be appropriate.

RESOLUTION

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9.

WHEREAS, the State Board of Health is aware of and recognizes the conflict between the County Commissioners and District Board of Health in Washoe County regarding authority of the District Board, and

WHEREAS, the State Board of Health has considered the opinions of other district boards of health, Attorney General's Opinion 535, and Assembly Bill 715, and

WHEREAS, the State Board of Health believes that district boards of health, for the efficient administration of public health, require the authority to act as a separate representative entity,

NOW THEREFORE, BE IT RESOLVED THAT: THE STATE BOARD OF HEALTH SUPPORTS THE ADMINISTRATION OF DISTRICT HEALTH DEPARTMENTS BY DISTRICT BOARDS OF HEALTH THROUGH THEIR REPRESENTATIVE MEMBERS WITHOUT INTERFERENCE BY THE POLITICAL SUBDIVISIONS COMPRISING THOSE DISTRICTS.

BE IT FURTHER RESOLVED THAT THE STATE BOARD OF HEALTH URGES DEFEAT OF ASSEMBLY BILL 715 AND ANY OTHER LEGISLATION WHICH REMOVES THE AUTHORITY OF DISTRICT BOARDS OF HEALTH TO ADMINISTER LOCAL PUBLIC HEALTH PROGRAMS.

Dated March 24, 1969

/s/ Donald Guisto, M.D.
Chairman
Nevada State Board of Health