

MINUTES OF MEETING ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS,  
55TH LEGISLATIVE SESSION, APRIL 3, 1969

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

Chairman Smith announced that the first order of business was further consideration of AB 663 which revises provisions relating to regulation of accountants.

Mr. Melvin T. Brunetti, legal counsel for the State Board of Accountancy, circulated to the committee a copy of a ballot-letter which had been mailed to members of the licensed profession. It indicated that of the 365 ballots mailed 215 had been returned and the votes of the membership were recorded on the various alternative amendments to AB 663 which were considered. A copy of this letter ballot is attached.

The amendments concern themselves with the practical experience and education requirements required of a licensee. Mr. Brunetti stated that the membership further felt that the reimbursement provisions of the bill should be amended to raise the \$25 per day fee to \$100. He said that this is professionally supported by the membership.

Mr. LeRoy Bergstrom, C.P.A. of Kafoury, Armstrong, Bernard and Bergstrom, spoke to the committee with regard to the great importance that must be attached to the experience factor coupled with the education requirements. As one would not wish a medical student who had not had his internship to treat him; so one should not want an auditor without practical experience. When asked how he felt toward the recognition of governmental experience for evaluation, he said that he would have no objection provided the audit experience was required.

It was developed that the portion of the bill providing for evaluation of the government worker's experience was modeled from the California law which is sufficiently rigid to assure satisfaction.

Mr. Douglas Seifert, representing a Reno firm of C.P.A.'s, said he had been selected to present the view of his firm in opposition to AB 663. He said that any liberalizing of any of the requirements for a licensee would be harmful to the profession and that the firm strenuously object to the bill on that ground.

Mr. Thomas Atkinson introduced himself to the committee as a staff accountant. He said that he felt he could speak for many public accountants in opposition to the bill on the grounds that no provision is made for evaluation of audit experience toward licensing as a C.P.A. in lieu of education. The inability of a person who had through the years trained himself in accounting and proven his ability through experience to attain a license as a C.P.A., as is possible in other states such as Illinois and California is detrimental. It forces experienced people to leave Nevada. He urged the committee to consider liberalizing the education requirements. Mr. Atkinson said that no change

should be made until a comprehensive study is made of the entire situation.

Mr. Donald McGhie of Kafoury, Armstrong, Bernard and Bergstrom presented his position on the bill stating that at the time the ballot-letter was circulated he did not know of the proposal to adopt the California provision and would have changed his vote in favor of that provision.

Mr. Brunetti advised the committee that any requirements adopted by the State Board would have to have the approval of the licensed membership majority before the board would establish them.

Assemblyman Hilbrecht suggested that perhaps the legislature should await the Board's action before legislating on this matter. Mr. Brunetti replied that the Board is prepared to accept and act upon whatever action the legislature deems proper.

Mr. Hank Philcox representing the Internal Revenue Service said that the proposal to adopt the California provisions for the evaluation of government experience is totally acceptable to the government employees he represented. He said they agreed that the requirements for audit experience must be recognized.

Mr. Richard Maples spoke to the committee and said that his position on the bill was made clear in the letter which Mr. Bergstrom had presented to the Chairman. A copy of that letter is attached.

Hilbrecht moved to amend and Do Pass AB 663. Assemblyman Dini said that he would appreciate delaying action until the position of public accountants can be more fully explored. It was agreed to withhold action until the next morning.

Assemblyman Hilbrecht asked that the committee consider AB 510 with the view that he would have the necessary amendments made to present on the assembly floor. Assemblyman Mello said that he did not feel that the committee should act upon amendments until such time as they were prepared and could be studied. It was agreed that the committee would consider both AB 663 and AB 510 further in informal caucus.

Chairman Smith thanked the accountants for their presentation and they were excused. Mr. Bergstrom was asked to remain for further consideration of the City of North Las Vegas audit report. Mr. Clay Lynch, City Manager, and Mr. Wendell G. Waite, Councilman, were introduced.

Mr. Lynch said that the recommendations contained in the audit report were largely appreciated and acceptable to the City of North Las Vegas. He stated however that he felt that it would not be necessary to raise sewer rates if they could use the water rate surplus transfer. He said that he felt that the interim warrants could be easily marketed and turned over as long term interim warrants. Assemblyman Hilbrecht questioned both Mr. Lynch and Mr. Bergstrom on the security value of bonds as opposed to warrants. The technicalities were explored.

It was developed that traditionally warrants are considered by bond counsel to be "full faith and credit" securities whereas bonds are not so considered to the same extent.

Mr. Lynch said that the relief which the city seeks in SB 365 which would allow an optional 1% sales tax to be proportioned according to population is a vitally necessary relief for the City of North Las Vegas.

Assemblyman Branch asked Mr. Bergstrom what would happen if the warrants were not marketable for turnover. Mr. Bergstrom said that the results for the city would be dire. They could not meet their bond obligations during the coming year.

Mr. Bergstrom, City Manager Lynch and Councilman Waite were thanked for their presentations and excused from the meeting.

The committee discussed the \$1,050,000 relief sought by the city. Assemblyman Branch said that \$500,000 of that would go to salary increases alone. Another \$300,000 would go to repay the amount borrowed to cover the city's budget indebtedness at the end of the last fiscal year.

Assemblyman Hilbrecht asked for consideration of AB 601 which authorizes creation of consolidated municipalities. The bill has extensive amendments but remains a permissive measure.

Hilbrecht moved Do Pass AB 601 as amended.  
Getto seconded.

Motion passed over objections of Branch and Bryan Hafen.

SB 5 which concerns the licensed contractors board was discussed. It was suggested to amend it to exclude the restrictive provisions of the board membership.

Branch moved to amend and Do Pass SB 5 as amended.  
Lingenfelter seconded.  
Motion unanimously passed.

Assemblyman Lingenfelter said that his objection of SB 367 had been resolved.

Lingenfelter moved Do Pass SB 367. Hilbrecht said that he still opposed the bill. The differences were discussed.

Dini moved Do Pass SB 367.  
Getto seconded.

Motion passed with Hilbrecht, Branch objecting; Mello not voting.

AB 6 which requires county clerks to appoint deputies in certain localities to issue marriage licenses was discussed.

Lingenfelter moved to postpone indefinitely AB 6.  
Hilbrecht seconded.  
Motion unanimously passed.

AB 437 which extends requirement of approval of local government bond issues by county bond commission was discussed as amended.

Branch moved Do Pass AB 437 as amended.  
Getto seconded.  
Motion unanimously passed.

Assemblyman Jacobsen was sent for to comment on AB 550.  
Chairman Smith reminded the committee that this bill providing for state employees' service incentive plan was heard and commented upon by Assemblyman Homer.

Dini moved AB 550 be postponed indefinitely  
Motion seconded.  
Motion unanimously passed.

AB 568 which provides for administration of the Marlette Water System was discussed. Chairman Smith said he had served on a subcommittee which considered this bill and although it needs more attention it has a present need to assure maintenance for the present. The amendments are extensive.

Hilbrecht moved to amend and Do Pass as amended AB 568.  
Motion seconded.  
Motion unanimously passed.

Mello moved to postpone indefinitely AB 594.

The committee asked him to state his position. Mr. Mello said that the Veterans Administration is functioning well now as it is and that a Deputy Commissioner appointed by the Commissioner of Veterans Affairs is not needed.

Motion was seconded.  
Motion was unanimously passed.

AB 596 which authorizes counties and cities to invest moneys in United States guaranteed securities was discussed.

Hilbrecht moved to postpone indefinitely AB 596.  
Lingenfelter seconded.  
Motion unanimously passed.

AB 625 which sets interest rates and purchase price discounts of University of Nevada bonds was discussed.

Lingenfelter moved Do Pass AB 625.  
Hilbrecht seconded.  
Motion unanimously passed.

Assemblyman Jacobsen appeared and commented on AB 568 to the effect that the bill is needed although there are many amendments. On AB 594 he assured the committee that the situation at present is satisfactory but the bill was instigated because at one time the Las Vegas deputy was incompetent and there was no way to remove him from office. He was thanked and excused.

AB 690 which creates the office of legislative investigator was discussed. It was developed that Ways and Means will have to consider the financial support for the bill.

Branch moved Do Pass AB 690 and re-refer to Ways and Means.  
Motion seconded.  
Motion unanimously passed.

AB 715 which would clarify administrative control over health districts was discussed.

Hilbrecht moved AB 715 be indefinitely postponed.

Motion seconded.

Motion unanimously passed.

The bill to increase compensation for Clark County officers, AB 770, was discussed.

Hilbrecht moved Do Pass AB 770.

Motion seconded.

Motion unanimously passed.

The committee agreed to support introduction of two BDR's that had been given the Chairman.

Meeting adjourned.



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STATE OF NEVADA  
STATE BOARD OF ACCOUNTANCY

ARLINGTON-RIDGE BLDG. • 290 SO. ARLINGTON AVE. • PHONE 786-0231  
RENO, NEVADA 89501

MEMBERS

NEWELL F. HANCOCK, C.P.A., PRESIDENT  
DAVID A. MESSING, C.P.A., SEC.-TREAS.  
W. WAYNE BUNKER, C.P.A.  
JOSEPH C. WRIGHT, P.A.  
EDWARD R. BECK, P.A.

March 21, 1969

Dear Licensee:

Assembly Bill No. 663 recently introduced in the Nevada Legislature proposes certain changes in the Nevada Accountancy Law. The Bill includes numerous administrative provisions which the State Board of Accountancy feels are needed for greater effectiveness in carrying out its duties under the law. Also included is a proposal which changes the existing education and experience requirements for obtaining a CPA Certificate. The latter proposal, under NRS 628.200, appears controversial and the Governmental Affairs Committee to which the Bill has been referred requested that our entire profession be canvassed for a consensus.

Enclosed is a copy of that portion of AB 663 which sets forth the proposed education and experience requirements. Your vote is requested on the experience provisions which are alternatives designated under Numbers 1, 2 and 3 of the enclosed copy. You will note that Number 1 is the requirement which becomes effective under the existing law on April 1, 1969; and Numbers 2 and 3 are proposed alternatives. We ask that you place in the ballot below an "X" in the box of your choice, either "for" or "against", with respect to each alternative. Also, since there seems to be a general feeling among a large number of members of the profession that the Master's Degree provision would be acceptable if it were revised to include one year of experience, satisfactory to the Board, we shall appreciate your vote on such revised provision also set forth below. Please mail ballots in the enclosed self-addressed envelope so that they may reach the State Board office not later than Friday, March 28, 1969.

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|--|-------------------|-----------------------|
| 1. "Two years of public accounting experience satisfactory to the Board . . . . ."   | For<br><b>193</b> | Against<br><b>19</b>  |
| 2. "Experience in private or governmental accounting or auditing work of a character and for a length of time sufficient in the opinion of the Board ..."  | For<br><b>91</b>  | Against<br><b>120</b> |
| 3. "A Master's Degree in Accounting or Business Administration from a college or university recognized by the Board . . . . ."   | For<br><b>27</b>  | Against<br><b>178</b> |
| 4. Proposed sub-section 3 revised: "One year of the experience described in subsection 1 for any candidate holding a Master of Arts Degree in Accounting or Business Administration from a college or university recognized by the Board if there has been satisfactory completion of such number of semester hours in Accounting, Business Administration, Economics and related subjects as the Board determines to be appropriate." | For<br><b>137</b> | Against<br><b>75</b>  |

Very truly yours,

*Marguerite N. Callahan*  
Marguerite N. Callahan  
Executive Secretary

365 BALLOTS MAILED

215 BALLOTS RETURNED

4/3/69

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM  
CERTIFIED PUBLIC ACCOUNTANTS

RAY E. ARMSTRONG  
WELL C. BERNARD  
ROY R. BERGSTROM  
DONALD E. MCGHIE  
ROBERT J. SMEATH  
RICHARD W. STEBBINS  
RICHARD L. MAPLES

100 CALIFORNIA AVE.  
RENO, NEVADA 89502  
TELEPHONE  
322-9471 AREA 702

April 3, 1969

Senator James Gibson  
Chairman  
Joint Committee for SCR 11  
Carson City, Nevada 89701

Dear Senator Gibson:

We concluded from yesterday's hearing that, contrary to our understanding, there still exists a conflict on whether or not a local government (as defined by NRS 354.474) may invest in its own interim warrants. We wish, therefore, to amend our suggestions to your committee to include as a legislative recommendation the following:

8. Eliminate conflict in possible ability of a local government to invest in its own interim warrants, or those of any other Nevada local government.

We would suggest that this may be accomplished by amending NRS 271.535 as illustrated below:

271.535 LEGAL INVESTMENT IN BONDS. It shall be legal for the state and any of its agencies, departments or political subdivisions, or any other public body, except local governments as defined in NRS 354.474, to invest funds or moneys thereof in any of the bonds authorized to be issued pursuant to the provisions hereof.

It is our understanding that NRS 271 takes precedence over any city charter. For clarification, at least, Section 105 of Chapter III of the North Las Vegas Charter should be modified to conform with the proposed change to 271.535.

Too, recognizing that AB 678 or similar legislation may not be adopted in this session, we would suggest that the joint committee consider a reduction of approximately fifty percent in the present

To: Senator James Gibson  
Carson City, Nevada 89701

April 3, 1969  
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charter established debt limits of North Las Vegas. Presently, the bonded debt limit is forty percent of assessed value, and the limit for other debt is ten percent of assessed value.

Very truly yours,

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM

By 

LRB:ks

CC: Honorable Hal Smith  
Chairman  
Assembly Committee on Government Affairs  
Nevada Legislature  
Carson City, Nevada 89701