

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session
April 25, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:05 a.m. on Monday, April 25, 2005, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4406, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator William J. Raggio, Chair
Senator Bob Beers, Vice Chair
Senator Dean A. Rhoads
Senator Barbara K. Cegavske
Senator Bob Coffin
Senator Dina Titus
Senator Bernice Mathews

GUEST LEGISLATORS PRESENT:

Senator Dennis Nolan, Clark County Senatorial District No. 9

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Bob Guernsey, Principal Deputy Fiscal Analyst
Michael Archer, Committee Secretary

OTHERS PRESENT:

Jim Litchfield, Wood Rodgers, Inc.
Jeff Beckelman, President and Chief Executive Officer, Reno-Sparks Convention and Visitors Authority
Craig Schriber, White Water Steering Committee
Peter Kreuger, Nevada Petroleum Marketers and Convenience Store Association
Don Henderson, Director, State Department of Agriculture
John P. Comeaux, Director, Department of Administration
Kaitlin Backlund, Nevada Conservation League
Rick Lattin, Nevada Certified Farmers' Market Association
Janice R. Ayres, Executive Director and Chief Executive, Retired and Senior Volunteer Program
Ann Louhela, Acting President, Nevada Certified Farmers' Market Association
Craig Swope
William Bible, Nevada Resort Association
Michael J. Willden, Director, Department of Human Resources
Rob Hunter, Founder and President, Problem Gambling Center
Mark James, Former State Senator
Glen Christensen, Executive Vice President and Chief Executive Officer, Station Casinos
Steven L. Oster, President, Nevada Council on Problem Gambling
Carol O'Hare, Executive Director, Nevada Council on Problem Gambling

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John Maddox, Regional Vice President, Harrah's Entertainment
Valerie Michael
Howie Cornbleth, The Problem Gambling Center
Cas Palmer, Boyd Gaming Corporation
Tim Crowley, MGM Mirage
Alfredo Alonso, Palms Casino Resort
Larry D. Struve, Religious Alliance in Nevada
Rena M. Nora, M.D., Commissioner, Governor's Commission on Mental Health
and Developmental Services
Ken Templeton, President, Templeton Gaming Corporation
Diana Glomb-Rogan, League of Women Voters of Nevada

CHAIR RAGGIO:

We will open this meeting with a discussion of Bill Draft Request (BDR) S-1430.
This is an appropriation for the restoration of the Lake Mansion.

BILL DRAFT REQUEST S-1430: Makes appropriation for restoration of the Lake Mansion. (Later introduced as Senate Bill (S.B.) 508.)

SENATOR COFFIN MOVED FOR COMMITTEE INTRODUCTION OF
BDR S-1430 TO APPROPRIATE FUNDS FOR THE RESTORATION OF THE
LAKE MANSION.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS RHOADS AND TITUS WERE
ABSENT FOR THE VOTE.)

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CHAIR RAGGIO:

Senate Bill (S.B.) 405 was heard on April 15, 2005, in this Committee. Does
the Fiscal Analysis Division staff have an updated fiscal note?

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative
Counsel Bureau:

I have distributed an update on S.B. 405 ([Exhibit C](#)) which includes the fiscal
note provided by the Department of Human Resources. In reference to
section 2 of the bill, the cost of providing psychiatric hospital service at the
average West Coast rate would add General Fund dollars of \$1,950,474 in the
first year of the biennium and \$2,139,699 in the second year. Sections 3 and 4
of the legislation creates a disability determination process that would expedite
eligibility for people with certain mental disabilities. This provision would allow
them Medicaid coverage pending a Supplemental Security Income determination
and would result in an increase in General Fund dollars of approximately
\$573,000 in the first year of the biennium and \$9.5 million in the second year.
Those costs are in addition to the General Fund appropriation of \$10,423,500 in
fiscal year (FY) 2006 and \$9,923,500 million in FY 2007.

CHAIR RAGGIO:

We have distributed, to the Committee, a letter from Judge Peter I. Breen, dated
April 19, 2005, titled Specialty Court Report ([Exhibit D](#)). This will be entered
into the record of this meeting.

We have a request for an appropriation for recreation improvements along the Truckee River.

JIM LITCHFIELD (Wood Rodgers, Inc.):
I will now read my prepared statement ([Exhibit E](#)).

In my handout, titled Truckee River Recreation Plan ([Exhibit F](#)), I have summarized the four proposed recreational improvement projects we intend to build along the Truckee River. The total cost will be \$2,455,000.

CHAIR RAGGIO:
Is it feasible to build these venues in phases?

MR. LITCHFIELD:
Because of the construction sequencing and the limited time we have to build in the river, we would build these as we can. I believe we can implement all of them by the end of 2007.

JEFF BECKELMAN (President and Chief Executive Officer, Reno-Sparks Convention and Visitors Authority):
An important issue in northern Nevada is to fulfill the promises we make to the people we are drawing here for tourism and business. These parks will enhance our environment and keep faith with those promises.

CRAIG SCHRIBER (White Water Steering Committee):
This plan will clean up existing dangers in the Truckee River like old dams and debris. It will make the river safer for everyone.

SENATOR COFFIN:
How do you plan to protect this investment against periodic flooding of the river?

MR. LITCHFIELD:
When we design these projects, we try to anticipate the possible velocity and shear values of potential flooding.

SENATOR COFFIN:
Does your list of activities include rafting as well as kayaking?

MR. LITCHFIELD:
Yes, there will be rafting.

SENATOR MATHEWS MOVED TO INTRODUCE A BDR TO APPROPRIATE \$2,455,000 FOR RECREATIONAL IMPROVEMENTS ALONG THE TRUCKEE RIVER.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

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CHAIR RAGGIO:

We will open the hearing on S.B. 165.

SENATE BILL 165 (1st Reprint): Specifies permissible uses by State Department of Agriculture of certain fees and other money. (BDR 50-1136)

PETER KREUGER (Nevada Petroleum Marketers and Convenience Store Association):

We support S.B. 165. This bill restores, to the Department of Agriculture, the mill assessment petroleum inspection fee that is levied against petroleum marketers on the importation of gasoline and lubrication oils. In the 1980s, revenue from this 0.55 mill assessment was moved from the Department of Agriculture to the General Fund. This legislation will return the revenue to the Department's Division of Measurement Standards.

CHAIR RAGGIO:

The reason this bill is being heard by the Committee is because it represents a substantial decrease in the General Fund. In FY 2003, revenue from the petroleum-inspection fee was \$637,000. Additionally, there was an appropriation to that budget of about \$275,000 and another \$60,500 from 0.05 of the mill assessment. The balance of the fee that went to the General Fund was about \$300,000. Is it the intent of this legislation to take the entire fee and place it in a dedicated non-reverting account to fund the operation of the Division of Measurement Standards? Do you wish to comment on that?

DON HENDERSON (Director, State Department of Agriculture):

Senate Bill 165 was intended to make the Division of Measurement Standards an entirely fee-based regulatory agency. This would have allowed that agency to build up its reserve to have an orderly replacement of the extensive amount of equipment needed to perform its job. Please see my handout titled Summary and Background Information, S.B. 165 -- Specifies Use by the State Department of Agriculture of Revenues Generated by the Imported Fuel Inspection Fee Established in NRS 590.120 ([Exhibit G](#)) for a more detailed explanation. Recognizing this Division to be far behind in replacing needed equipment, the Governor offered several enhancements that will allow us to operate more effectively.

CHAIR RAGGIO:

Is this change largely due to the need for that Division to replace equipment?

MR. HENDERSON:

Yes, and there is a need to computerize the database associated with tracking and billing assessments.

CHAIR RAGGIO:

Has the Joint Subcommittee looked at this budget?

MR. GHIGGERI:

This budget is now in the Joint Subcommittee on General Government and is scheduled for closure next Wednesday.

CHAIR RAGGIO:

How will this bill affect the budget presented by the Governor?

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BOB GUERNSEY (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

That will be considered by the Joint Subcommittee when they close the budget next week.

CHAIR RAGGIO:

Mr. Comeaux, is the Executive Branch supportive of this concept?

JOHN P. COMEAUX (Director, Department of Administration):

The administration does not support it.

MR. HENDERSON:

I have spoken to the Governor about this bill, and he will not oppose its adoption. He views the existing fuel-inspection fee as an industry fee which is authorized and collected for a specific purpose. Therefore, the Governor wanted the petroleum industry to advance this bill because it is an assessment that directly affects them.

CHAIR RAGGIO:

The Governor has evidently not communicated that intent to Mr. Comeaux. You will need to engage in more dialogue about this before the Joint Subcommittee on General Government Subcommittee meets next Wednesday.

MR. COMEAUX:

We will.

MR. HENDERSON:

This is not a windfall to the Division of Measurement Standards. Unless we have the enhancements and one-shot appropriations proposed in the *Executive Budget*, this revenue stream will quickly end.

SENATOR BEERS:

I would like to see the amount of revenue generated by the 0.55 mill assessment petroleum-inspection fee over the last six years. This information should include amounts budgeted in the *Executive Budget* and any appropriations for equipment or capital purchases. This information may give us a better sense of the impact passage of this bill will have on the General Fund.

SENATOR COFFIN:

Why did you not inform us, in the Senate Committee on Natural Resources that there was a problem here?

MR. KREUGER:

I had every reason to believe this problem had been resolved.

MR. HENDERSON:

We need this secure-funding source to cover growth in the future. The Department of Agriculture is neutral with regard to this bill. The industry brought it forward, and we see some advantages associated with it. The Governor took the position that if the Legislature felt it was justified, he would not oppose it.

CHAIR RAGGIO:

With the understanding that there must be clarification of the Administration's position on this issue before it reaches the Joint Subcommittee on General Government, we will close the hearing on S.B. 165 and open the hearing on S.B. 293.

SENATE BILL 293 (1st Reprint): Creates position of Weed Control Coordinator within State Department of Agriculture. (BDR 49-431)

MR. HENDERSON:

The Department of Agriculture is neutral on S.B. 293. This bill came out of the Interim Committee on Public Lands. There are many volunteer weed-eradication groups around the state; however, they need some structure and assistance. The \$60 pesticide-registration fee is already obligated to our pesticide regulation, testing and monitoring program. If we take \$20 from the existing \$60 fee, that will force the Board of Agriculture to raise the annual pesticide registration fee. The Governor is opposed to this bill because it will likely result in the raising of fees. I have handed out a proposed amendment ([Exhibit H](#)) which would change the wording in the bill to include as allowable uses of this fee "... the eradication and control of noxious weeds."

SENATOR RHOADS:

The public is concerned about controlling weeds. There is a need for a statewide coordinator to organize the efforts. Senate Bill 293, as amended, would be a good solution to this problem.

CHAIR RAGGIO:

Is it correct to say that the amended language will produce enough revenue to pay for the position described in this bill?

MR. HENDERSON:

That is correct.

KAITLIN BACKLUND (Nevada Conservation League):
We support S.B. 293.

SENATOR RHOADS MOVED TO AMEND AND DO PASS S.B. 293.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

We will close the hearing on S.B. 293 and open the hearing on S.B. 399.

SENATE BILL 399: Makes appropriation to State Department of Agriculture to develop and provide technical assistance to farmers' markets. (BDR S-1349)

RICK LATTIN (Nevada Certified Farmers' Markets Association):
We are in favor of S.B. 399. I will read my prepared statement titled Nevada Certified Farmers' Markets Association, Nevada Farmers' Markets Promotion and Development ([Exhibit I](#)).

CHAIR RAGGIO:
Do you have a budget plan for the \$50,000 appropriation you are requesting?

MR. LATTIN:
We do not have a specific budget yet, but if the legislation is approved, we will work with the Department of Agriculture on developing such a plan.

CHAIR RAGGIO:
Please do that as soon as possible. Your intended use of these funds is unclear to us.

JANICE R. AYRES (Executive Director and Chief Executive, Retired and Senior Volunteer Program):

We support S.B. 399. Through a U.S. Department of Agriculture grant, 6,700 elderly people in Reno, Sparks, Carson City and rural areas are eligible for \$30 in coupons they can redeem at the weekly farmers' markets throughout the area. We would like to improve our advertising to reach more seniors about this program.

CHAIR RAGGIO:
How does the Nevada Certified Farmers' Markets Association raise funds? Is it a nonprofit corporation?

MR. LATTIN:
We are a nonprofit corporation supported by fees from each market and membership fees from local farmers.

ANN LOUHELA (Acting President, Nevada Certified Farmers' Markets Association):
I am here in support of S.B. 399. I will read my prepared statement titled History and Growth of Farmer's Markets ([Exhibit J](#)).

CHAIR RAGGIO:
Do the vendors pay a tax or license fee?

MS. LOUHELA:
It depends on the city. In Reno, for example, a business license is required, while in Sparks one is not.

SENATOR TITUS:
Are there farmers' markets in southern Nevada other than the one in Las Vegas?

MR. LATTIN:
I do not think so. The farmers' market movement in Las Vegas is fairly recent. It is difficult to start them in southern Nevada because of the hot summer weather.

SENATOR TITUS:

Would some of the funds requested in this bill be intended to help start new farmers' markets in southern Nevada?

MR. LATTIN:

Yes, it would.

SENATOR MATHEWS:

The produce at the farmers' market seems expensive. How do you keep the price down for seniors?

MS. LOUHELA:

We accept the \$30 coupons for low-income seniors.

SENATOR MATHEWS:

Many seniors cannot afford even an extra dollar for these products. They are forced to go where produce is cheapest.

CHAIR RAGGIO:

We will close the hearing on S.B. 399 and open discussion on S.B. 357. This is for an appropriation of \$100,000 in each year of the biennium for prevention and treatment of problem gambling. There are also funds for this in the *Executive Budget* Grants Management Unit budget account 101-3195.

SENATE BILL 357: Creates Advisory Committee on Problem Gambling and authorizes grants of money for programs for prevention and treatment of problem gambling. (BDR 40-1157)

HUMAN RESOURCES ADMINISTRATION

HR, Grants Management Unit – Budget Page HR ADMIN-30 (Volume II)
Budget Account 101-3195

SENATOR CEGAVSKE:

I wish to disclose that my husband is a general manger for Crawford Coin. Passage of this bill will not affect us differently than anyone else.

CRAIG SWOPE:

I will read my prepared statement ([Exhibit K](#)) in support of S.B. 357.

CHAIR RAGGIO:

What do you believe is the best way to deal with this problem?

MR. SWOPE:

Creating a widespread awareness of the problem is most important. Many people ask compulsive gamblers why they do not simply stop gambling. This question, in itself, is an indication that many people do not understand the nature of the problem.

CHAIR RAGGIO:

The purpose of the committee, established by this legislation, would be to review requests for grants for the prevention and treatment of problem gambling. For what type of programs would these grants be used?

MR. SWOPE:

There are a variety of programs that would help. Perhaps using some funds for a cooperative effort with The Nevada Broadcasters Association for publicity and public information would give this issue a higher profile.

SENATOR CEGAVSKE:

Did alcohol or drugs play a part in your gambling addiction?

MR. SWOPE:

Not in my case, but others may have these problems as well.

SENATOR CEGAVSKE:

I see these addictions as co-occurring. Should we be dealing with all these addictions together rather than just gambling?

MR. SWOPE:

My concern is, compared to these other addictions, there may not be enough emphasis given to the problem-gambling issue.

SENATOR CEGAVSKE:

I am trying to determine how we can best serve people who have more than one of these addictions.

WILLIAM BIBLE (Nevada Resort Association):

The amendments will help make the original bill more flexible. I will read section 10 of S.B. 357, as shown on my handout, titled Mock-up, Proposed Amendment to Senate Bill No. 357 ([Exhibit L](#)).

Section 14 of the bill describes the funding mechanism which allocates a portion of the existing flat fees that are assessed against both restricted and nonrestricted gaming operations. This will result in revenue of approximately \$800,000, in the first year of the biennium, and approximately \$1.6 million in the second year.

SENATOR TITUS:

How many other states, where gambling is legalized, use special assessments rather than General Fund money, for education and treatment of problem gambling?

MR. BIBLE:

Most of those other states use some portion of their gaming revenue for this purpose.

SENATOR TITUS:

Instead of taking about \$2.5 million out of the General Fund, why not increase the assessment on slot machines to provide this funding?

MR. BIBLE:

That is one of a number of approaches to the problem. If you reflect on the factors that built the state's surplus revenue this year, you will find that gaming taxes were over-collected in the amount of \$64 million for the biennium. If that trend continues into the next biennium, I think many here would take a dim view of accepting new tax proposals on gaming.

MICHAEL J. WILLDEN (Director, Department of Human Resources):
I will read my prepared statement ([Exhibit M](#)).

CHAIR RAGGIO:

Do the results of your study mean that 6.4 percent of all adults in Nevada, and not just those who gamble, are problem or probable pathological gamblers?

MR. WILLDEN:

That is correct.

SENATOR CEGAVSKE:

Do you see these addiction problems as co-occurring? Should they be treated at the same time? Also, I would like to know the number of problem gambling counselors we have in Nevada, and how many of those certified for alcohol and drug counseling are also certified for problem gambling.

MR. WILLDEN:

The funding issues are related. As an example, the Bureau of Alcohol and Drug Abuse reports about 10 percent of those coming to them for services have a co-occurring gambling addiction.

ROB HUNTER (Founder and President, Problem Gambling Center):

I have run the largest gambling treatment center in Nevada for the last 20 years. We need separate treatment facilities for problem gamblers.

SENATOR CEGAVSKE:

Mr. Willden, do we lack funding for drug and alcohol addiction?

MR. WILLDEN:

The drug and alcohol programs are primarily funded through federal block grants, though we have seen an increase in General Fund appropriations over the last three legislative sessions. Despite this infusion of funds, we still have waiting lists for our drug and alcohol programs. We hope to keep this money separate and use it for programs tailored to the individual's co-occurring addictions or for their straight gambling addiction.

SENATOR COFFIN:

How do you cope with the fact that people gamble on everything not just in casino games?

MR. HUNTER:

Gambling falls into the addiction side of medicine rather than the obsessive-compulsive side. The treatment is quite successful once these people get into a program. In other states, where money has been set aside, problem gamblers seek treatment sooner. Nevada has a great prevention and education network for problem gamblers but no treatment programs.

MARK JAMES (Former State Senator):
I support S.B. 357.

GLEN CHRISTENSEN (Executive Vice President and Chief Executive Officer, Station Casinos):
I will read my prepared statement ([Exhibit N](#)) in support of S.B. 357.

STEVEN L. OSTER (President, Nevada Council on Problem Gambling):
I support S.B. 357. I have seen many problem and pathological gambling cases in Nevada and have been exposed to the damage this disorder causes. It is a community-health and mental-health concern. This legislation is vital to those with this problem so they can receive proper education and treatment.

CAROL O'HARE (Executive Director, Nevada Council on Problem Gambling):
Please refer to my handout which includes my letter in support of S.B. 357 and a Position Statement of the Nevada Council on Problem Gambling ([Exhibit O](#)). Our organization is able to accomplish much; however, what is missing is a central mechanism that would allow all stakeholders to share these accomplishments and develop a future strategy. This legislation will provide that mechanism.

JOHN MADDOX (Regional Vice President, Harrah's Entertainment):
Harrah's was the first to recognize and operationally address problem gaming. We support S.B. 357. This legislation will provide adequate counselors and programs to treat this problem in Nevada.

VALERIE MICHAEL:
I will read my prepared statement ([Exhibit P](#)) in support of S.B. 357.

SENATOR DENNIS NOLAN (Clark County Senatorial District No. 9):
I am a primary sponsor of S.B. 357. Please refer to my handout titled Summary of Senate Bill No. 357 ([Exhibit Q](#)). Mrs. Michael is my sister-in-law, and this problem affects me personally. Please see my single-page handout titled Clark County Coroner, Report of Investigation, Case Number 02-06123 ([Exhibit R](#)). This illustrates the grave damage problem gambling can cause. Nevada seems to have become acclimated to this social ill over the years. It is time to deal with the problem.

HOWIE CORNBLETH (The Problem Gambling Center):
I opened the first problem gambling treatment center in Nevada in 1986. There was no money to treat this problem at that time; therefore, we had to admit patients for related problems like depression and suicidal ideation. Other states that have legalized gambling have put aside money to help the problem gambler. Nevada has yet to do that. I support S.B. 357.

CAS PALMER (Boyd Gaming Corporation):
I will read my prepared statement ([Exhibit S](#)) in support of S.B. 357. In addition to my statement, I am providing the Committee with a handout detailing our company's position titled Boyd Gaming, Responsible Gaming and our Community Partnership ([Exhibit T](#)).

TIM CROWLEY (MGM Mirage):
We support S.B. 357. The MGM Mirage takes this health problem seriously.

ALFREDO ALONSO (Palms Casino Resort):

I am providing a letter to the Committee from Mr. Jim Hughes, Vice President and General Manager of the Palms Casino Resort ([Exhibit U](#)), in support of S.B. 357.

LARRY D. STRUVE (Religious Alliance in Nevada):

We support S.B. 357. The problem of compulsive gambling has gotten to the point where a significant percentage of the state population is dealing with the issue. We hope, if this bill is passed, the faith communities and parishes can be part of the educational and referral efforts.

RENA M. NORA, M.D. (Commissioner, Governor's Commission on Mental Health and Developmental Services):

I will briefly review the points contained in my prepared statement ([Exhibit V](#)) in support of S.B. 357

SENATOR MATHEWS:

How do other states pay for the treatment of problem gamblers?

MR. HUNTER:

Because the concept of pathological gambling was already in existence when most states legalized gambling, they immediately imposed an additional tax to fund these programs. Since Nevada's gaming predated our understanding of this problem, this state did not initially set up this funding.

SENATOR MATHEWS:

Could we fund this using a federal match?

KEN TEMPLETON (President, Templeton Gaming Corporation):

Much of the existing funding comes from the gaming industry.

MR. BIBLE:

We find that individuals with gambling problems do not always go to casinos. There is a lot of private gambling and lottery tickets being purchased outside the state.

SENATOR MATHEWS:

Does this mean you are against a federal match?

MR. BIBLE:

I did not say that. Much of the current funding is provided by the gaming industry.

SENATOR TITUS:

Are there any federal grants available for problem gamblers?

MR. BIBLE:

No grants of which I am aware.

MR. TEMPLETON:

I do not know of any.

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SENATOR TITUS:

Is there any way to identify problem gamblers who come to the casinos like they are able to do with cheaters or high rollers?

MR. HUNTER:

They are hard to detect. The amount of money a person plays is not always an indication they have a gambling problem.

SENATOR COFFIN:

Is pathological gambling considered to be a root disorder?

MR. HUNTER:

It has been listed in the Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders for over 20 years. There is no question this is a legitimate illness. It is probably genetically transmittable and treatable.

SENATOR COFFIN:

Do you look at a family history of compulsive gambling?

MR. HUNTER:

Yes, we usually look for that.

CHAIR RAGGIO:

How would this legislation apply statewide if it is approved?

MR. TEMPLETON:

If the bill is passed, the committee appointed by the Governor would be able to set up a nonprofit treatment program in northern Nevada.

CHAIR RAGGIO:

At this time, we will close the hearing on S.B. 357 and open the hearing on Senate Joint Resolution (S.J.R.) 5.

SENATE JOINT RESOLUTION 5: Proposes to amend Nevada Constitution to impose certain limitations on amount that Legislature or governing body of governmental entity may appropriate and authorize for expenditure. (BDR C-943)

DIANA GLOMB-ROGAN (League of Women Voters of Nevada):

I will read my prepared statement ([Exhibit W](#)) opposing S.J.R. 5. I have provided the Committee with three handouts titled Colorado Caught in a Fiscal Vise ([Exhibit X](#)), Introduction ([Exhibit Y](#)) and Public Services and TABOR in Colorado ([Exhibit Z](#)) all showing the adverse effects experienced by the state of Colorado as a result of adopting the Taxpayer's Bill of Rights (TABOR).

CHAIR RAGGIO:

What is the Center on Budget and Policy Priorities that is mentioned in [Exhibit Z](#)?

MS. GLOMB-ROGAN:

It is a research group in Washington, D.C.

MR. STRUVE:

I will read my prepared statement ([Exhibit AA](#)) in opposition to S.J.R. 5. My handout titled Talking Points on TABOR ([Exhibit BB](#)) summarizes the Colorado TABOR Amendment and its consequences. The next handout titled Colorado's Rankings Compared to the Rest of the Nation ([Exhibit CC](#)) shows how Colorado has fallen in the rankings in areas of health, public education, higher education and public services. To support this, I will read from my handout titled Colorado Republican Warns Ohio: TABOR is a Proven Failure ([Exhibit DD](#)). I have provided an additional handout titled GOP Governors Fight Tax Limits ([Exhibit EE](#)) which quotes Governors of other states who oppose TABOR. My handout, titled Investing in Colorado's Future: Taxes, TABOR & the Common Good ([Exhibit FF](#)), details the position of the Lutheran Advocacy Ministry of Colorado against TABOR. My handout titled Excerpts of Interview on April 1, 2005, Aaron Harbor Show – Colorado ([Exhibit GG](#)) is a transcription of the words of three Colorado Senate Republicans who support suspension of TABOR in that state.

SENATOR BEERS:

The Center on Budget and Policy Priorities that the Chair asked about earlier is a research group with a bias in favor of such things as the return of the estate tax and across-the-board increases in Medicaid and food stamps.

Governor Owens was in Las Vegas last Friday speaking to a convention and said that opponents of TABOR had taken his remarks out of context. He remains solidly committed to TABOR. The problems in Colorado are not the fault of TABOR. I attribute them to a citizen's initiative that required a ten-year increase in education funding. The Nevada Constitution prohibits funding of education without a revenue source. Also, the personal income of Coloradoans declined after the tragedy of September 11, 2001.

CHAIR RAGGIO:

We will close the hearing on S.J.R. 5. There being no other business to come before this Committee, this meeting is adjourned at 10:41 a.m.

RESPECTFULLY SUBMITTED:

Michael Archer,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____