

**MINUTES OF THE MEETING
OF THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO
STUDY COMPETITION BETWEEN
LOCAL GOVERNMENTS AND PRIVATE ENTERPRISES
June 26, 2002
Carson City, Nevada**

The fifth and final meeting of Nevada's Legislative Commission's Subcommittee to Study Competition Between Local Governments and Private Enterprises for the 2001-2002 interim was held on Wednesday, June 26, 2002, at 9:30 a.m., in Room 3138 of the Legislative Building in Carson City, Nevada. This meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Pages 2 and 3 contain the "Meeting Notice and Agenda."

COMMITTEE MEMBERS PRESENT IN CARSON CITY:

Senator Michael Schneider, Chairman
Senator Randolph J. Townsend
Assemblywoman Dawn Gibbons

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Senator Ann O'Connell
Assemblyman Wendell P. Williams
Assemblyman David R. Parks

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Michael J. Stewart, Senior Research Analyst, Research Division
M. Scott McKenna, Principal Deputy Legislative Counsel, Legal Division
Kennedy, Senior Research Secretary, Research Division

MEETING NOTICE AND AGENDA

Name of Organization: Legislative Commission's Subcommittee to Study
 Competition Between Local Governments and Private
 Enterprises

Date and Time of Meeting: Wednesday, June 26, 2002
 9:30 a.m.

Place of Meeting: Legislative Building
 Room 3138
 401 South Carson Street
 Carson City, Nevada

Note: Some members of the subcommittee may be attending the meeting and other persons may observe the meeting and provide testimony through a simultaneous videoconference conducted at the following location:

Grant Sawyer State Office Building
Room 4401
555 East Washington Avenue

Las Vegas, Nevada

If you are unable attend the meeting, you may listen to it live over the Internet. The address for the legislative web site is <http://www.leg.state.nv.us>. For audio broadcasts, click on the link "Listen to Meetings Live on the Internet."

A G E N D A

I. Opening Remarks and Introductions

Senator Mike Schneider, Chairman

- *II. Approval of the Minutes of the Meetings Held on March 12, 2002, in Las Vegas, Nevada, and on May 20, 2002, in Elko, Nevada
- *III. Discussion of Competition for Services Covered Under the Telecommunications Act in Churchill County, Nevada

Art Mallory, District Attorney, Churchill County, Nevada
Mark Feest, Deputy District Attorney, Churchill County, Nevada
Marcia Berkbigler, Director of Government Relations, Charter Communications

- *IV. Overview of Potential Competition in the Provision of Traffic School and Driving Under the Influence Program Instruction and Discussion of Similar Programs Offered in Clark County, Nevada

Kenneth S. Kruger, Owner, All American Driving School
Representative, Clark County

- *V. Discussion and Presentation of Proposed Changes to Statutes Regarding Public Works and Planning (Chapter 338 of the *Nevada Revised Statutes*, "Public Works Projects")

John Madole, Executive Director, Nevada Chapter, Associated General Contractors (AGC)
Steve Holloway, Executive Vice President, AGC Southern Nevada
Mary C. Walker, CPA, Lobbyist, Carson City, Douglas, and Lyon Counties
Andrew List, Policy and Research Coordinator, Nevada Association of Counties

VI. Public Comment

- *VII. Work Session - Subcommittee Discussion and Final Recommendations

Note: During this portion of the meeting, subcommittee members will discuss and take final action on certain recommendations proposed at this and other meetings held during the 2001-2002 legislative interim. These proposals are outlined in a "work session document" from which the members will be working when determining final recommendations. Copies of this "work session document" may be obtained from Michael J. Stewart, Senior Research Analyst, Research Division, Legislative Counsel Bureau, Carson City, telephone: (775) 684-6825 (toll-free from Las Vegas: 486-2626; toll-free from other areas of Nevada: 1-800-992-0973) or by connecting to the web page for the Subcommittee to Study Competition Between Local Governments and Private Enterprises at

VIII. Adjournment

*Denotes items on which the subcommittee may take action.

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 Research Division of the Legislative Counsel Bureau, in writing, at the Legislative Building, 401 South Carson Street, Carson City, Nevada 89701-4747, or call Kennedy at (775) 684-6825 as soon as possible.

Notice of this meeting was posted in the following Carson City, Nevada, locations: Blasdel Building, 209 East Musser Street; Capitol Press Corps, Basement, Capitol Building; City Hall, 201 North Carson Street; Legislative Building, 401 South Carson Street; and Nevada State Library, 100 Stewart Street. Notice of this meeting was faxed for posting to the following Las Vegas, Nevada, locations: Clark County Office, 500 South Grand Central Parkway; and Grant Sawyer State Office Building, 555 East Washington Avenue. Notice of this meeting was posted on the Internet through the Nevada Legislature's web site at www.leg.state.nv.us.

OPENING REMARKS

Senator Michael Schneider, Chairman, called the meeting to order at 9:38 a.m. and directed the secretary to call roll. All members of the subcommittee were in attendance at the final meeting and work session of the Legislative Commission's Study of Competition Between Local Governments and Private Enterprises.

APPROVAL OF THE MINUTES OF THE MEETINGS HELD ON MARCH 12, 2002, IN LAS VEGAS, NEVADA, AND ON MAY 20, 2002, IN ELKO, NEVADA

SENATOR TOWNSEND MOVED TO APPROVE THE MINUTES OF THE MEETINGS OF THE SUBCOMMITTEE TO STUDY COMPETITION BETWEEN LOCAL GOVERNMENTS AND PRIVATE ENTERPRISES HELD ON MARCH 12, 2002, IN LAS VEGAS, NEVADA, AND ON MAY 20, 2002, IN ELKO, NEVADA. THE MOTION WAS APPROVED BY SENATOR O'CONNELL AND CARRIED UNANIMOUSLY.

DISCUSSION OF COMPETITION FOR SERVICES COVERED UNDER THE TELECOMMUNICATIONS ACT IN CHURCHILL COUNTY, NEVADA

Marcia Berkbigler

Marcia Berkbigler, Director of Government Relations, Charter Communications, Reno, Nevada, updated members on upgrades in Charter Communications' service, including "high tech services," such as high-speed data, video on demand, and interactive television services. She presented business statistics for Charter Communications and industry trends indicated in several studies (**Exhibit A**).

Ms. Berkbigler stated objections, as she perceived them, regarding competition between Charter Communications and Churchill County Communications (CC Communications), a government entity, for the delivery of telecommunication services in northern Nevada. These objections include:

- Churchill Communications is exempt from certain licensing and franchise fees, including a 5 percent gross revenue franchise fee paid to themselves or to the City of Fallon;
- Churchill Communications has the ability to cross-subsidize costs for future investments;
- Churchill Communications can extend credit to itself, use public funds, and guarantee a loan;
- Churchill Communications is exempt from property tax, sales tax, state-head tax, and the FCC user fee;
- Churchill Communications is not required to meet the same financial reporting and customer service obligations as Charter Communications;

- Churchill Communications has oversight by the Churchill County Commission, which also serves as the board for the communication companies;
- Churchill Communications is exempt from oversight by the Public Utilities Commission (PUC) and the Federal Communications Commission (FCC) because they operate a telephone business, not a cable television business;
- Churchill Communications is not required to provide public access services or grants to local governments, schools, or provide services free-of-charge; and
- Churchill Communications is the oversight agency for Charter Communications in Churchill County;

Further, Ms. Berkbigler presented statistics on her perception of CC Communications' proposed financial losses and future projects. She theorized that CC Communications' ability to transfer funds to cover start-up costs could allow them to offer free cable service to their customers, who already pay a lower rate for service. Ms. Berkbigler said that Charter Communication has no other option but to take CC Communications to court, which will result in higher prices to Charter Communications' customers and costs to the company.

Concluding, Ms. Berkbigler requested a law mandating that CC Communications "play by the same rules" as other businesses operating in that sector.

Responding to questions from Senator Townsend, Ms. Berkbigler said it is her opinion that CC Communications is not a cable company, but is a telephone company that does not provide cable services. She said Charter Communications appears to have penetrated the cable market in Churchill County by 74 percent. She said that the earliest cable franchise in Fallon was installed in 1961 and Charter Communications has purchased each private company as it moves in. She said that Charter Communications is not concerned with competing with CC Communications in the delivery of high-speed data services, but is concerned that CC Communications will unfairly compete against them in cable television services. She reported that high-speed data is not considered a cable service or a telephone service, but is considered an information service.

Assemblywoman Gibbons noted that the private sector is required to abide by stricter standards than local government in the delivery of telecommunication services.

Ms. Berkbigler said that it is her understanding that Churchill County is the recipient of all CC Communications' telephone profits and theorized that the County would use those funds to subsidize another service. She stressed that PUC oversight does not allow the private sector to transfer funds or subsidize start-up costs of new businesses.

Bob Bass

Bob Bass, Area Manager External Affairs, SBC Nevada Bell, Reno, agreed that PUC oversight forbids the transfer of funds from one affiliate or entity to another.

Mark Feest

Mark Feest, Churchill County Deputy District Attorney, Fallon, Nevada, reported that CC Communications is negotiating with Charter Communications and both sides are optimistic that an agreement can be reached. He said his purpose before the subcommittee was to convey a position statement for CC Communications, including: (1) the benefits to local government; (2) the benefits from the provision of telecommunication services; and (3) the implications, potential restrictions, and requirements on these services. He stated his opposition to Recommendation No. 3 in the Work Session Document.

Continuing, Mr. Feest gave an overview of CC Communications and said that rural communities pose a unique challenge to acquiring technology and competition. He noted that CC Communications is operated as an enterprise fund entity and expenses are offset by revenues, not tax dollars. He said that Churchill County acted in the capacity as a guarantor two years ago when CC Communications began a \$4.5 million upgrade. He said CC Communications

infused \$1.5 million in the Churchill County General Fund last year, and provides 100 jobs to local residents. Dissolution of CC Communications could result in forfeiture of these jobs, which would cause negative impacts to the county's tax base. He said that Fallon does not benefit from property taxes that the telephone company would normally pay.

Continuing, Mr. Feest discussed the benefits from the provision of telecommunication services, including: (1) up-to-date technology which offers DSL service (high speed Internet access); (2) profits are utilized as local capital investments; (3) the Cities of Fernley and Lovelock are negotiating with CC Communications to receive DSL service; and (4) bundled telecommunication services, including video. He said that Charter Communications does not appear to have the intention of offering telephony services over cable lines, which is the next technological advance that CC Communications intends to offer its customers.

Concluding, Mr. Feest addressed testimony presented by Ms. Berkbigler, including: (1) Charter Communications' footprint does not include low population density areas in rural Nevada; (2) actual demand for video service is 100 residents; and (3) franchise development includes the payment of 5 percent of the gross revenues from video service to residents of Fallon. Mr. Feest advised against changing the rules regulating the provision of services in a company as old as CC Communications. He said that the communication industry is not static and the expansion planned by Churchill is appropriate to the nature of technology. He said that restricting CC Communications' ability to offer services would severely hamper the next inevitable wave of technology services, which is bundling.

Responding to Assemblywoman Gibbons, Mr. Feest said CC Communications would cautiously guard against losing any of the 100 jobs and is operating under advisement from outside industry analysts rather than trusting Charter Communications' repeated message that it has no intention of entering into telephony technology over the existing cable system. Further, CC Communications provides telephone and data services to Fallon Naval Air Station, while cable and high-speed data services are provided by Charter Communications.

Senator Townsend discussed the "big policy picture of what Nevada is trying to accomplish." He acknowledged that Churchill County has a unique situation, and noted that CC Communications is a government entity which intends to "go head to head" with private industry in telephony. He said the private market, unlike governments, has a direct incentive to provide services. Senator Townsend suggested that Churchill County resolve their financial problems without competing with private markets in telecommunications.

Senator O'Connell remarked that stabilizing Nevada's economy should not include the practice of subsidizing its own competition. She said that a stronger economy could be achieved through increased investments. Governments in competition with taxpayer dollars could jeopardize the chance for a stable economy.

Mr. Feest and Ms. Berkbigler continued to debate services and future plans for CC Communications and Charter Communications.

Chairman Schneider directed both parties to work toward an agreement for rules and regulations attractive to both CC Communications and Charter Communications. He said the commerce committees would hear the issue during the 2003 Legislative Session and if Churchill County had not participated in constructing rules/regulations, then the Legislature would develop those guidelines. He further directed staff to send a letter of intent to both CC Communications and Charter Communications asking for their cooperation in reaching an agreement acceptable to both parties by February 1, 2003.

Senator Townsend requested that the agreement include a trigger to identify a point in time where Churchill County acknowledges that it is a telecommunications company and is no longer entitled to protections enjoyed by governmental entities. Additionally, the agreement should include the basis that determines a level playing field and identify the party that decides which tax levels are applicable (i.e., property tax, franchise fees, licensing fees, and so forth).

Responding to Assemblywoman Gibbons, Robert Adams, General Manager, CC Communications, Fallon, confirmed that Charter Communications provides cable services to the United States Naval Base and CC Communications provides telephone and data services.

A copy of Mr. Feest's testimony is available in **Exhibit B**.

**OVERVIEW OF POTENTIAL COMPETITION IN THE PROVISION OF TRAFFIC SCHOOL AND
DRIVING UNDER THE INFLUENCE PROGRAM INSTRUCTION
AND DISCUSSION OF SIMILAR PROGRAMS OFFERED IN CLARK COUNTY, NEVADA**

Kenneth S. Kruger

Kenneth S. Kruger, Owner, All American Driving School, Reno, Nevada, said there was no compelling reason for Clark County to create and promote traffic schools because there are plenty of private licensed schools available. Mr. Kruger opined that Clark County seeks a revenue-generating source by “stealing business from small companies that cannot afford to hire attorneys or extol significant political influence.” Furthermore, the Clark County Justice Court has directed defendants to the Clark County Driving School instead of disseminating a list of commercial schools certified by Nevada’s Department of Vehicles (DMV). Mr. Kruger said this “violation of anti-trust laws” has occurred for the past decade, and referred members to a complaint he submitted to the Administrative Office of the Courts (**Exhibit C**) two months ago. He said he has not received a reply.

Concluding, Mr. Kruger expressed a concern that the Clark County School District (CCSD) unfairly holds the contract for the drivers’ education program for high school aged students. He alleged the CCSD refused graduation credits to students that completed private driving school courses; that the CCSD is not licensed to teach drivers’ education; and the CCSD did not put the contract out to bid to professional driving schools. He said this same situation exists with the Las Vegas Municipal Court and the Las Vegas Municipality.

Responding to Chairman Schneider, Mr. Kruger said traffic classes are also available through video rental and on the Internet at a web site hosted by the CCSD.

Assemblywoman Gibbons pointed out that revenue raised by CCSD’s traffic/DUI school is directed to the drug courts.

Responding to a suggestion by Assemblywoman Gibbons, Mr. Kruger said collecting an extra tax to assist in funding the drug court is acceptable to him, but only under the condition that Clark County no longer competes with private driving schools. He pointed out that Clark County’s rationale to continue its traffic school to fund the drug court with its revenues is flawed because “a good reason is not reason enough to compete with small business.”

The Honorable Jack Lehman, Eighth Judicial District Court

The Honorable Jack Lehman, Drug Court Judge, Eighth Judicial District Court, Las Vegas, Nevada, presented a historical overview of Clark County’s Traffic/Driving Under the Influence (DUI) School and the establishment of drug courts. He said the primary purpose of Clark County’s Traffic/DUI School is to contribute revenue to Clark County drug courts. As a result, the Clark County drug courts received \$800,000 for Fiscal Year 2002-2003.

Continuing, Judge Lehman stated that Justice Court Administrator, Russ Eaton, suggested forming a county-operated traffic/DUI school in 1991 to resolve problems exhibited by the private traffic school providers that included chronic poor performance. Additionally, Clark County’s Traffic/DUI School was also designed to provide significant funding for the drug courts. Recently, an owner of a private-based Las Vegas driving education program brought forward concerns that the Las Vegas Justice Court was not publicizing a long-standing policy that it accepted school completions from any DMV certified traffic education program. Judge Lehman said that policy will be publicized in the near future by installing a sign in the Justice Court of Las Vegas Township to notify traffic defendants of their right to choose any DMV certified traffic education program to satisfy their traffic school requirements.

Concluding, Judge Lehman addressed Mr. Kruger’s concerns by explaining that Clark County’s Traffic/DUI School was created because the private sector’s 20 schools performed “an abysmal job.” He said that the Justices of the Peace unanimously agreed that better service should be offered to the public, and he shared stories of depraved indifference exhibited by certain traffic schools in 1991. He said the traffic schools were not too small to hire an attorney, and those attorneys had enough legislative influence to introduce a bill during the 1993 Legislative Session that proposed eliminating the drug court. That bill was defeated.

Responding to Assemblywoman Gibbons, Judge Lehman explained that Clark County’s Traffic/DUI School generates

\$800,000, which is the major source of funding for the drug courts. Further, Assemblywoman Gibbon's suggestion to eliminate Clark County's participation in traffic school could not be achieved without negatively impacting drug court revenues. He pointed out that some private enterprise does not consistently perform at capable standards, as in the case of airport screenings, and the Federal government will provide that service after eliminating private security company contracts. Furthermore, if local government were eliminated from the traffic school industry, the private sector would still require oversight because its past performance indicates performance failure and delivery of unacceptable levels of service.

Responding to Senator Townsend's request that staff determine current standards applicable to private driving schools in Nevada, M. Scott McKenna, Principal Deputy Legislative Counsel, Legislative Counsel Bureau (LCB), Legal Division, Carson City, Nevada, discussed standards and regulations for private driving schools in *Nevada Revised Statutes* (NRS) Chapters 482-483, and the *Nevada Administrative Code*.

Senator Townsend and Assemblyman Williams discussed market conditions and the private sector's ability to meet public health and safety standards.

A copy of the Honorable Judge Lehman's testimony is available in **Exhibit D**.

Chairman Schneider asked for public comment on this topic.

Dan Musgrove

Dan Musgrove, Intergovernmental Relations Manager, Clark County, Las Vegas, said that citizens have an unbiased choice of traffic schools and there is a sign posted that explains any DMV certified school is acceptable to satisfy court requirements. He said that the playing field is level and individuals have a clear choice of traffic schools, including Internet formats, videotape, Clark County's Traffic/DUI School, or the private sector. Mr. Musgrove said that the cost of traffic school enrollment in the private sector ranges from \$30 to \$40.

Steven Grierson

Steve Grierson, Court Education Coordinator, Clark County, Las Vegas, explained the process of traffic violations, eligibility for traffic school, Justice Court decisions, and Traffic Citation Office requirements. He said that the DMV certifies all traffic schools and driver education programs. Additionally, statistics from Clark County indicate the issuance of 220,000 traffic citations in 2001, and 30,000 students enrolled in Clark County's Traffic/DUI School enrolled. The cost of attending Clark County's Traffic/DUI School is \$35.

Phil Stout

Phil Stout, Executive Director, Nevada Association of Independent Businesses, Henderson, Nevada, agreed that the private sector could benefit from local government oversight, but stated his opposition to competition between the public and private sector in the traffic school industry.

Chairman Schneider directed staff to draft a letter to Clark County requesting them to prepare a presentation for the Senate Committee on Transportation or the Senate and Assembly Committees on Government Affairs during the 2003 Legislative Session.

DISCUSSION AND PRESENTATION OF PROPOSED CHANGES TO STATUTES REGARDING PUBLIC WORKS AND PLANNING **(CHAPTER 338 OF THE NEVADA REVISED STATUTES,** **"PUBLIC WORKS PROJECTS")**

Mary C. Walker

Mary C. Walker, CPA, Lobbyist, Carson City, Douglas, and Lyon Counties, Minden, Nevada, reported that representatives of the Associated General Contractors (AGC) and local governments worked together to propose new language to Chapter 338, "Public Works Projects" of *Nevada Revised Statutes* (NRS). She referred to draft language

(**Exhibit E**), which allows local governments to bid public works projects under \$100,000 more effectively. Ms. Walker said the proposed language allows local governments to hire contractors on an informal basis for smaller projects thus frequently utilizing the private sector and alleviating public works departments' workloads.

Mr. McKenna noted the absence of grievance procedures in the proposed language of NRS 338.142 and said it lacks any method of appeal to address dissatisfaction of a public body.

Ms. Walker responded that proposed changes to NRS 338.142 are intended to mirror the same requirements for the bidding of other public works projects whereby emphasis is on job completion/expediency in a revised system that incorporates checks and balances, public disclosure, attestations, et cetera. Also, she opined that the proposed changes would lessen the chance of grievances occurring after successful bidders are on the jobsite and in the middle of a project. She advised against the addition of grievance clauses to the proposed changes in NRS 338.142.

Responding to a suggestion from Assemblywoman Gibbons, Ms. Walker shared her opposition to the removal of the text "or responsible" in the proposed changes to section 2A of NRS 338.142 because the bidder has not been pre-qualified or deemed responsible prior to being awarded the bid. She said "or responsible" language is also listed in proposed changes to NRS 338.143 section 3A.

Assemblyman Parks said the proposed changes would create a "paperwork nightmare" and said he could not support the proposed changes to NRS Chapter 338. He said that his experience as a budget director and finance officer has proved that many projects start small but expand into large expensive construction projects. He said that the proposed language to NRS Chapter 338 contained limitations that were problematic. Additionally, he said that the proposed language did not adequately address the availability of contractors, particularly in cases involving damaged streets or other projects requiring immediate attention.

Ms. Walker said that projects under \$100,000 are frequently delayed because the formal bidding process typically takes several months. Furthermore, the formal bidding process demands the maintenance of "cumbersome lists." She agreed with Assemblyman Parks that some projects start small and ultimately finish excessively over budget, but she said that industry standards follow the outcome that most construction projects finish with a somewhat higher cost. Ms. Walker said that a "tremendous amount of paperwork is involved in the formal bid process." She said her proposed changes lessen the amount of paperwork performed by bidders, or by in-house staff, and the ability of local governments to assign projects under \$100,000 to in-house crews is not removed. She said the benefits of eliminating the formal bidding process allow for more use of private sector local contractors and the workload of the public works department is alleviated.

Assemblyman Parks said he will continue to pursue amendments to Assembly Bill 461 of the 2001 Legislative Session (Chapter 401, *Statutes of Nevada*), which "revises provisions relating to qualification of bidders on certain contracts for public works in this state" and are consistent with Ms. Walker's proposed changes.

Copies of the items referenced in Ms. Walker's testimony are available in **Exhibit E**.

Andrew List

Andrew List, Policy and Research Coordinator, Nevada Association of Counties (NACO), Carson City, spoke in favor of the proposed changes to NRS Chapter 338. On a separate issue, he said NACO would submit a bill draft request to change a portion of the law to allow county commissioners to contract with members of a county commission provided that there is full disclosure, that they are the sole source, and that it is in the best interest of the county.

John Madole

John Madole, Executive Director, Nevada Chapter, AGC, Reno, spoke in favor of the proposed changes to NRS Chapter 338.

Gary Milliken

Gary Milliken, AGC Southern Nevada, Las Vegas, Nevada, spoke in favor of the proposed changes to NRS Chapter

Chairman Schneider announced that the subcommittee previously voted to include this issue in a bill draft and would include the amendments specified in Exhibit E.

PUBLIC COMMENT

Carole Vilardo

Carole Vilardo, President, Nevada Taxpayers Association, Las Vegas, referred to Ms. Walker's previous testimony regarding changes to NRS Chapter 338 (**Exhibit E**), and suggested that the language "in a publicly noticed meeting" be added in reference to reporting to a public body. Additionally, she suggested language that explains the reason(s) why a bidder was found not responsible or responsive, and a detailed explanation why the public interest would not be served.

Ms. Walker said she would consider Ms. Vilardo's comments.

Chairman Schneider directed staff to incorporate Ms. Vilardo's suggestions to the bill draft request (BDR) on this topic.

Paul G. Gardner

Paul G. Gardner, President, Elko Chamber of Commerce, Board Member of the Nevada Broadcasters Association, and owner of two radio stations in Elko, Nevada, addressed the subcommittee on television districts established by counties for the purpose of serving rural communities without access to television programming. He said FM radio districts were later created to allow television districts to continue operating FM radio translators, which they had been doing without authority for several years. He referred to a document outlining the history of this practice (**Exhibit F**) and suggested that both television and FM radio districts be eliminated because they are technologically antiquated.

Concluding, Mr. Gardner stated his opposition to television districts in Nevada that continue to rebroadcast FM radio signals, specifically in Elko, Ely, and Winnemucca. He said these districts are in violation of legislation that does not allow FM rebroadcast to occur in cities or towns already served by local radio. He asked that county codes be amended to comply with state law. He noted that television districts operate with no oversight from the state or counties. He also stated his objection to advertising that invites consumers to shop out of town and state, and results in economic harm.

Chairman Schneider said the issue would be addressed during the 2003 Legislative Session in the appropriate committee.

Senator Townsend suggested that the subcommittee draft a letter to the appropriate regulatory authority to give impetus for implementation of the law.

Phil Stout

Phil Stout, previously identified in these minutes, expressed his appreciation for the subcommittee's efforts during the interim and said, "the issue demands a healthy debate." He referred to the convention space issue in Henderson, Nevada, and said it is an example of how government unfairly competes with the private sector by soliciting their customers while receiving subsidies.

WORK SESSION **SUBCOMMITTEE DISCUSSION AND FINAL RECOMMENDATIONS**

Chairman Schneider referred to the "Work Session Document" (**Exhibit G**). (The recommendations contained in the

“Work Session Document” are listed below in bolded italics and precede the actions of the subcommittee.)

Chairman Schneider explained that the recommendations contained in the work session document do not necessarily have the support or opposition of the subcommittee. Rather, the possible actions are compiled and organized so the members may review them to decide if they should be adopted, changed, rejected, or further considered. He noted that the members of the subcommittee may vote to send as many subcommittee statements or letters as they choose; however, pursuant to *Nevada Revised Statutes* (NRS) 218.2429, the subcommittee is limited to five BDRs, including requests for the drafting of legislative resolutions.

RECOMMENDATION NO. 1: Request the drafting of a bill or resolution to require (if a bill) or encourage (if a resolution) a state agency (to be determined) to compile and make available a guidebook for use by state and local government that establishes specific criteria and assessments that these entities may use to evaluate services or activities that may compete with the private sector before procuring those services or entering into those activities. This guidebook may be modeled after similar publications produced in other states. (Recommended by Senator O’Connell; Carole Vilardo, President, Nevada Taxpayers Association; Sam McMullen, Representing the Las Vegas Chamber of Commerce; several subcommittee members; and others.)

RECOMMENDATION NO. 2: Request the drafting of a bill establishing a review board, commission, or council to address the privatization of services and determine whether certain services should or should not be outsourced. This may be modeled after similar boards or commissions created in other states, including Georgia, Maine, Michigan, New York, Texas, and Virginia. (Recommended by Chairman Schneider for discussion purposes; representatives of Sunrise Hospital and Medical Center; and several witnesses.)

Subcommittee members debated whether local governments should compete with private enterprise, the degree of competition, and jurisdiction requirements. Other topics included local government’s responsibility to provide a safety net to protect the public when private business fails (i.e., Enron and MCI WorldCom). Representatives from University Medical Center and the Nevada State Medical Association provided testimony to discuss factors in the medical malpractice coverage issue. Some subcommittee members opined that government should be held to the same standards as the private sector it is in competition with.

Mr. McKenna referred to Recommendation No. 1 (the creation of a guidebook for use by state and local government that establishes specific criteria and assessments for competition), and requested clarification regarding enforcement of the criteria as set forth by the Legislative Commission, or its designee, the degree to which the criteria would be binding, and performance incentives or penalties for failure to perform.

Chairman Schneider responded that the criteria should be binding with the Legislative Commission and would be applicable statewide.

Senator Townsend suggested that the criteria for competition be strict and contain emergency provisions for government intervention in cases when the private sector could not perform. He said that penalizing governments is the same as penalizing its citizens and the penalty for not adhering to the competition guidelines should trigger a legislative audit.

Chairman Schneider suggested that the Attorney General issue a warning and follow up with the removal of city councilmen, county commissioners, and so forth, from office.

SENATOR TOWNSEND MOVED TO DRAFT LEGISLATION THAT INCLUDES: (1) A LEGISLATIVE DECLARATION SPECIFYING THAT THE NEVADA LEGISLATURE SUPPORTS A STATE POLICY CREATING AN ATMOSPHERE IN WHICH THE NEEDS OF ITS RESIDENTS ARE MET PRIMARILY THROUGH THE PRIVATE SECTOR. THE DECLARATION WOULD ALSO SPECIFY THAT IF THE PRIVATE SECTOR IS UNABLE TO MEET THESE NEEDS, THE GOVERNMENT HAS A FULL AND COMPLETE RESPONSIBILITY TO PROVIDE SERVICE AND PRODUCTS AT THE HIGHEST LEVEL OF QUALITY AND AT THE LOWEST POSSIBLE COST; AND (2) LANGUAGE AUTHORIZING THE LEGISLATIVE COMMISSION TO CREATE (EITHER ON ITS OWN OR THROUGH THE APPOINTMENT OF A SUBCOMMITTEE OR INTERIM STUDY) A GUIDEBOOK OR MANUAL FOR USE BY STATE AND LOCAL GOVERNMENT ESTABLISHING SPECIFIC CRITERIA AND ASSESSMENTS FOR USE BY THESE ENTITIES TO EVALUATE SERVICES OR ACTIVITIES THAT

MAY COMPETE WITH THE PRIVATE SECTOR BEFORE PROCURING THOSE SERVICES OR ENTERING INTO THOSE ACTIVITIES. THE MOTION WAS SECONDED BY SENATOR O'CONNELL AND CARRIED WITH ASSEMBLYMAN WILLIAMS ABSTAINING.

RECOMMENDATION NO. 3: Request the drafting of a bill prohibiting competition with private enterprise in certain state services or activities. Require the measure to stipulate numerous exceptions, including: state parks, historical monuments, state forest and soil resources, correctional institutions, veteran's homes, the tourism board, the Department of Public Safety, the construction of state transportation facilities, the provision of free medical services and equipment to indigent persons (in association with community health programs), regional transportation districts, higher education, and other exceptions as determined by the subcommittee. This measure may be modeled after Colorado Revised Statutes 24-113-103. (Discussed at several meetings; recommended by Senator O'Connell; and numerous individuals.)

Discussion on Recommendation No. 3 included concerns that exclusionary legislation might not adequately serve the public. The subcommittee did not take any action on this recommendation.

RECOMMENDATION NO. 4: Request the drafting of a bill or resolution requiring (if a bill) or encouraging (if a resolution) the State Motor Pool Division of Nevada's Department of Administration to conduct a study and "pilot project" that would provide outsourcing with private rental car companies for the use of private rental car fleet vehicles for State of Nevada employees. Results of the study and pilot project would be submitted to the 2005 Nevada Legislature. (Recommended by Chairman Schneider for discussion purposes; Senator O'Connell; Carole Vilardo; David Nestor, Vice President and General Manager, Enterprise Rent-A-Car, Nevada; and others.)

Discussion on Recommendation No. 4 indicated that larger counties in Nevada would benefit more than smaller counties if the state outsourced its motor pool to private rental car companies. The subcommittee did not take any action on this recommendation. Senator Townsend requested that staff from LCB Audit Division or Research Division perform an analysis of the Department of Administration, Nevada State Motor Pool and present it during the 2003 Legislative Session.

Frank B. Revell, Administrator, Department of Administration, Nevada State Motor Pool, Carson City, reported that several rental car companies contract with the State Motor Pool to supply service at the airports in Clark and Washoe Counties. He said the State Motor Pool is examining the possibility of privatizing both sites as a result of the Governor's Fundamental Review Process. The State Motor Pool budgeted \$50,000 to commission a private feasibility study, but the project lost interest, so the department acquired software instead to compile in-house data. Mr. Revell said the State Motor Pool does not provide services to the general public and is not in competition with rental car agencies. He said the contract for cars during high-use times is "always schmucked" because the car rental agencies are motivated to charge tourists double rates instead of honoring the contract with the State Motor Pool. As a result, state workers experience difficulty accessing vehicles during certain conventions, rodeos, or other high profile events in Las Vegas. He listed a comparison of services and costs of the State Motor Pool to private sector rental car agencies.

The subcommittee did not take any action on this recommendation because the State Motor Pool is currently conducting an in-house analysis to determine if privatization is feasible.

RECOMMENDATION NO. 5: Request the drafting of a bill amending Chapter 450 of the NRS ("County Hospitals and Hospital Districts") in the following manner: (Recommended by representatives of Sunrise Hospital and Medical Center.)

- A. Specify that the definition of "reasonable compensation" and "reasonable charges" shall mean the full hospital costs associated with each service;***
- B. Specify that the hospital shall not sell health care services to non-indigent patients at below the full cost of providing such services;***
- C. Require that hospital cost accounting must identify all cost components, both direct and indirect, in providing each service; and***

- D. *Require that units of service produced and the itemized cost per unit must be made available upon public inquiry.*

The subcommittee did not take any action on this recommendation because it was withdrawn.

RECOMMENDATION NO. 6—OPTION I: *Request the drafting of a bill adding a new section to Chapter 244A of the NRS providing that:*

- A. *A county fair and recreation board utilizing bonds issued under NRS 244A.637 shall not acquire, construct, or authorize a recreational facility if the operation of such a facility is not reasonably expected to result in a direct increase in tourism and the facility is expected to compete with one or more private businesses already providing substantially similar goods or services to the public within the county;*
- B. *A county fair and recreation board, if it determines that a recreational facility previously constructed or one that is to be constructed with bonds issued under NRS 244A.637 will result in an increase in tourism but is expected to compete with one or more private businesses already providing such goods or services, shall:*
- i. *Ensure that the fees or costs charged for the use of such goods or services are commercially reasonable or, if it is necessary to charge less than commercially reasonable rates, provide grants to such businesses in an amount sufficient to equalize the subsidy received and utilized by the board; and*
 - ii. *Ensure that the facility is not leased or otherwise made available to any customer of such a private business if the Board or staff of the facility thereof had solicited that customer.*
- C. *Revenue bonds issued pursuant to NRS 244A.637 shall not be affected by the requirements that recreational facilities be required to charge commercially reasonable fees as described above.*

Discussion on Recommendation No. 6-Option I included testimony from Luke Puschnig, Legal Counsel, Las Vegas Convention and Visitor's Authority (LVCVA), and Tom Skanky, LVCVA Legislative Lobbyist. Mr. Puschnig said the LVCVA is not in competition with the private sector for convention and trade-show space, but exists to continually expand the tourist base. He said the LVCVA attracted over \$1 billion to the Clark County economy during the past year. Mr. Puschnig said LVCVA's mission is to infuse Clark County's economy with tourist dollars and it utilizes its own funds to attract business to Las Vegas. He asked the subcommittee to disregard any previous requests from individuals who claimed the LVCVA was unfairly competing with them, because those "ideas are short-sighted and will hinder the LVCVA from continuing to play its valuable role in keeping Clark County's tourism industry strong."

Responding to Senator O'Connell, Mr. Puschnig said LVCVA issued revenue bonds for construction of the LVCVA south expansion project. The revenue bonds are from the state. Additionally, the Cashman Civic Center is the fiscal responsibility of the LVCVA.

Mr. Skanky said the LVCVA is not in the business of competing with other hotels. He described LVCVA operations and said competition exists outside southern Nevada, in places like Chicago, Illinois; Atlanta, Georgia; Tampa, Florida; Los Angeles, California; and San Francisco, California. He said the LVCVA budget is derived from room tax dollars and 15 percent of this budget is utilized for convention activities and 85 percent is allocated toward promoting tourism in southern Nevada.

Chairman Schneider commented that Mandalay Bay Casino and Hotel entered the convention market by adding 2 million square feet of space, which indicates that claims of unfair competition are unfounded. He said it appears that the LVCVA is inclusive in their business and operates for the benefit of Las Vegas.

Steve Kastens, Director, Carson City Parks and Recreation Department, Carson City, listed his concerns for Recommendation No. 6-Option I as it applies to a golf course, a community center, and an aquatic facility, in his

community.

Assemblyman Williams commented that the testimony on the recommendation was compelling and the LVCVA provides opportunities for the private sector. He suggested that the LVCVA be allowed to continue its business uninterrupted.

Senator O'Connell said more discussion is needed on the revenue bonds issue and she does not have any recommendations at this time.

The subcommittee did not take any action on this recommendation.

— OR —

RECOMMENDATION NO. 6—OPTION II: Request the drafting of a bill amending NRS 244A.619 to require a county fair and recreation board to: (1) set and periodically adjust fees or rates for convention facilities that reflect actual market rates; (2) provide for grants to privately owned or operated convention facilities to equalize the subsidy utilized by the Board if it chooses to set rates below actual market rates; and (3) ensure that no member or staff of the Board solicits the business of any customer of any competing privately owned or operated convention facility located in the same county as the Board. (Recommended by Phil Stout, Executive Director, Nevada Association of Independent Businesses.)

The subcommittee did not take any action on this recommendation.

RECOMMENDATION NO. 7: Request the drafting of a bill requiring the use of “independent project managers” for certain contracted projects (possibly based on a certain dollar amount of the contract). (Recommended by Senator Townsend for discussion purposes.)

Senator Townsend supplied a history of the Legislative Building renovation project and said that the use of independent project managers (IPM) is valuable because they are technically knowledgeable, and they protect the interest of the contracting entity and the public at large. He said the value of IPMs increases proportionally to the size of the project.

Assemblyman Parks said he supported Recommendation No. 7 because the use of IPMs decreases the potential for many problems that occur at the end of many construction projects. He further suggested that language in the BDR be modeled after states that incorporate the use of IPMs. In terms of additional costs to a public works project, he said that IPMs realize significant savings by limiting project cost overruns, and therefore IPMs “pay for themselves.”

Senator Townsend recommended that Recommendation No. 7 be incorporated into existing Nevada statutes with language urging public entities to consider the use of an IPM for construction projects over \$2.5 million (arbitrary figure for discussion only). He said the resolution, or language that encourages consideration, would give local governments the option of using an IPM and participating in public debate. He said the recommendation should not evolve into a mandate.

Chairman Schneider and the subcommittee agreed to draft a letter to the Chairman of the Senate Committee on Government Affairs requesting that a mandate to consider the use of an IPM for all government projects within a specific cost range be incorporated into existing state law through an existing or new BDR.

RECOMMENDATION NO. 8: Request the drafting of a resolution expressing support for a public/private partnership effort between Nevada’s Department of Motor Vehicles (DMV) and the rental car industry to allow for an optional program of internal, computerized motor vehicle registration by rental car companies. (Recommended by Chairman Schneider for discussion purposes; Senator O’Connell; David Nestor; Carole Vilardo; DMV; and others.)

Chairman Schneider reported that David Nestor, President, Enterprise Rent A Car, presented this request to the subcommittee at its Elko meeting on May 20, 2002. He said the recommendation is designed to save time and money by eliminating 10-day registration tags for each vehicle in large rental car fleets.

Senator Townsend offered support for Recommendation No. 8 and acknowledged that revenue generated through registration fees at the DMV is crucial; however, the time and energy to stand in line at the DMV is burdensome to businesses with large car fleets.

Assemblyman Parks offered support for Recommendation No. 8 and suggested that operations with large fleets be included, provided that they could prove they are a stable organization in the community.

ASSEMBLYMAN PARKS MOVED THAT THE SUBCOMMITTEE REQUEST THE DRAFTING OF A RESOLUTION EXPRESSING SUPPORT FOR A PUBLIC/PRIVATE PARTNERSHIP EFFORT BETWEEN NEVADA'S DEPARTMENT OF MOTOR VEHICLES (DMV), THE RENTAL CAR INDUSTRY, AND OTHER COMPANIES WITH LARGE VEHICLE FLEETS TO ALLOW FOR AN OPTIONAL PROGRAM OF INTERNAL, COMPUTERIZED MOTOR VEHICLE REGISTRATION. THE MOTION WAS SECONDED BY SENATOR O'CONNELL AND CARRIED UNANIMOUSLY.

RECOMMENDATION NO. 9: Request the drafting of a bill resembling or identical to Assembly Bill 611 of the 1997 Legislative Session (Chapter 404, Statutes of Nevada). Assembly Bill 611 proposes that an amendment to the Sales and Use Tax Act be submitted to Nevada's voters at the general election of 1998 to require state and local governments to collect sales taxes on sales of items purchased for resale to the public. (Recommended by Carole Vilardo, President, Nevada Taxpayers Association.)

Carole Vilardo, President, Nevada Taxpayers' Association, Las Vegas, presented the history of problems associated with local governments competing with or displacing existing businesses. She said the same regulatory environment and oversight should exist whenever government competes with the private sector and pointed out that valid revenue sources are lost when private businesses are displaced.

SENATOR TOWNSEND MOVED THAT THE SUBCOMMITTEE REQUEST A BILL DRAFT RESEMBLING OR IDENTICAL TO ASSEMBLY BILL 611 OF THE 1997 LEGISLATIVE SESSION (CHAPTER 404, *STATUTES OF NEVADA*), WHICH PROPOSES THAT AN AMENDMENT TO THE SALES AND USE TAX ACT BE SUBMITTED TO NEVADA'S VOTERS AT THE GENERAL ELECTION OF 2004 TO REQUIRE STATE AND LOCAL GOVERNMENTS TO COLLECT SALES TAXES ON SALES OF ITEMS PURCHASED FOR RESALE TO THE PUBLIC. THE MOTION WAS SECONDED BY SENATOR O'CONNELL AND CARRIED UNANIMOUSLY.

RECOMMENDATION NO. 10: Send a subcommittee letter to Governor Kenny Guinn and the Legislative Subcommittee to Study Medical Malpractice expressing support for the Governor's and the Subcommittee's examination of the issue and setting forth a policy statement from the Subcommittee to Study Competition Between Local Government and Private Enterprises regarding the possible impacts on competition stemming from recent insurance and medical malpractice issues. (Recommended by Chairman Schneider for discussion purposes.)

Michael R. Alastuey, Assistant County Manager, Clark County, Las Vegas, testified that the medical malpractice crisis in Nevada represents a "huge public policy issue," and explained how various authorities are involved differently. He shared his perspective on the crisis and said the options presented thus far all have limited outcomes, which demands that a balance between the exercise of responsibility of operating a major public hospital and public sector issues must be achieved. He said that governance of the marketplace, the size of potential losses, constraints placed on the medical legal screening panel, and limitations on liability and liability settlements, are several issues that contribute to the complexity of the situation. He suggested that the subcommittee focus on a long-term view of the issue and continue to encourage an open dialogue between all involved parties.

Chairman Schneider and the subcommittee agreed to send a letter to Governor Kenny Guinn, the chairman of the Legislative Subcommittee to Study Medical Malpractice, the Nevada Trial Lawyers Association, the Doctor's Group, the Insurance Commissioner, and to James Wadhams, who represents various insurance groups, expressing support for the Governor's and the Subcommittee's examination of the issue and setting forth an explanation from the Subcommittee to Study Competition Between Local Government and Private Enterprises regarding the possible

impacts on competition stemming from recent insurance and medical malpractice issues.

RECOMMENDATION NO. 11: *Send a subcommittee letter to the Nevada Rural Hospital Partners expressing support for their mission and their desire to maintain the tax-exempt status afforded to several of Nevada's rural hospitals. (Recommended by Robin Keith, President, Nevada Rural Hospital Partners; and Michael McMahon, Director, Policy and Program Development, Nevada Rural Hospital Partners.)*

The subcommittee did not take any action on this recommendation because it was withdrawn by Robin Keith, President, Nevada Rural Hospital Partners.

RECOMMENDATION NO. 12: *Send a subcommittee letter to the Director of Nevada's Department of Taxation supporting the tax-exempt status afforded to several of Nevada's rural hospitals as identified by the Nevada Rural Hospital Partners and encouraging the Department to maintain this status to help sustain the economic viability of these rural service providers. (Recommended by Nevada Rural Hospital Partners.)*

The subcommittee did not take any action on this recommendation because it was withdrawn by Robin Keith, President, Nevada Rural Hospital Partners.

RECOMMENDATION NO. 13: *Send a subcommittee letter to the Chairmen of the Elko County Commission and the Elko City Council requesting that those bodies review the concerns raised by Timothy R. Brown, President and Owner, Elko Sanitation Company, during the subcommittee's meeting held in Elko on May 20, 2002. The letter should further request that the results of the review be transmitted to the Senate Committee on Government Affairs during the 2003 Legislative Session. As a result of Mr. Brown's experience in bidding for sanitation contracts in Elko, he proposes the following amendments to state and local contracting procedures: (1) establish a time limit (to be determined) during which a government entity "can delay the signing of a contracted service"; (2) impose a time frame of one year during which a service that is contracted out-of-state must be "re-bid"; and (3) prevent state and county employees from altering or changing contracts that have already been approved and accepted by a government entity. (Recommended by Timothy R. Brown, President/Owner, Elko Sanitation Company.)*

The subcommittee did not take any action on this recommendation because it refers to an individual's dissatisfaction with his negotiation of a private contract. Senator O'Connell noted that Mr. Brown's concerns are better addressed by Elko City and County government representatives.

RECOMMENDATION NO. 14: *Send a subcommittee letter to representatives of the Nevada Recreation and Park Society, Gary Vause, Owner, Lit'l Scholar Academy (Clark County), and Carol Hall, Owner, Creative Kids (Clark County), encouraging continued dialogue between these parties in addressing real and perceived competition in the provision of childcare services. (Recommended by Chairman Schneider for discussion purposes and Mary Walker, Lobbyist, Carson City, Douglas, and Lyon Counties.)*

Chairman Schneider and the subcommittee agreed to send a letter to representatives of the Nevada Recreation and Park Society, Gary Vause, Owner, Lit'l Scholar Academy (Clark County), and Carol Hall, Owner, Creative Kids (Clark County), encouraging continued dialogue between these parties in addressing real and perceived competition in the provision of childcare services.

RECOMMENDATION NO. 15: *Send a subcommittee letter to members of Nevada's Congressional delegation, the Secretary of the United States Department of the Interior (DOI), and the Director of the Bureau of Land Management (BLM), encouraging the full funding of the Payments in Lieu of Taxes (PILT) program administered by the BLM. Specify in the letter that many local governments in Nevada do not have adequate operating budgets due to the lack of private, taxable land base for the collection of revenue, and that at a minimum, full funding of PILT by the United States Congress as requested by the DOI would greatly improve the fragile economic status of several rural Nevada counties. (Recommended by Senator O'Connell; Carole Vilardo; and Brad Roberts, Chairman, Elko County Commission.)*

Senator O'Connell said Nevada's smaller counties need support in acquiring more of their land and the issue has reached a critical stage statewide, especially in Elko County. She said it is her understanding that water rights on BLM land are leased to other countries, which is a violation of state law. She expressed frustration with her attempts

to alert the Federal Government to this situation in Nevada.

Chairman Schneider and the subcommittee agreed to send a letter to members of Nevada's Congressional delegation, the Secretary of the United States Department of the Interior (DOI), and the Director of the Bureau of Land Management (BLM), encouraging the full funding of the Payments in Lieu of Taxes (PILT) program administered by the BLM. The letter would specify that many local governments in Nevada do not have adequate operating budgets due to the lack of private, taxable land base for the collection of revenue, and that at a minimum, full funding of PILT by the United States Congress as requested by the DOI would greatly improve the fragile economic status of several rural Nevada counties.

RECOMMENDATION NO. 16: Send a subcommittee letter to the Director of the Department of Motor Vehicles expressing support for the Department's public/private partnership activities and outsourcing efforts in the delivery of a wide array of services. (Recommended by Chairman Schneider for discussion purposes.)

The subcommittee did not take any action on this recommendation because of actions taken earlier addressing specific issues which establish partnerships with the DMV.

RECOMMENDATION NO. 17: Send a subcommittee letter to the Legislative Commission or Governor Kenny Guinn requesting the Commission or the Governor to notify the various executive state agencies of the requirements set forth in NRS 233B.066. This provision requires all adopted regulations submitted to the LCB or filed with the Office of the Secretary of State to include a statement of the estimated economic effect of the regulation on the public and on the business which it is to regulate. (Recommended by Assemblyman Carpenter.)

Senator O'Connell referred to situations where state agencies suffer no penalties for failure to carry out the law.

Senator Townsend said it is problematic for local communities to have a ballot question to build a facility (school, fire station) for the purposes of taxation to fund the building, and the ballot question does not include associated ongoing costs. He said the bond for a new Washoe County Jail was approved by voters but the revenues available to operate it at an efficient level disappeared due to a downturn in the economy. He said the public needs the opportunity to understand the full economic impacts of proposals. Chairman Schneider directed Subcommittee staff to send letters to the chairs of the Senate and Assembly Committees on Government Affairs requesting that they examine the issue of ongoing costs associated with certain local ballot questions.

Chairman Schneider and the subcommittee also agreed to send a letter to the various executive state agencies notifying them of the requirements set forth in NRS 233B.066. This provision requires all adopted regulations submitted to the LCB or filed with the Office of the Secretary of State to include a statement of the estimated economic effect of the regulation on the public and on the business which it is to regulate. Additionally, testimony on the issue will be heard in the Senate and Assembly Committees on Government Affairs during the 2003 Legislative Session.

ADJOURNMENT

There being no further business to come before the committee, Chairman Schneider adjourned the meeting at 4 p.m. Exhibit H is the "Attendance Record" for this meeting.

Respectfully submitted,

Kennedy
Senior Research Secretary

Michael J. Stewart

APPROVED BY:

-

Senator Michael Schneider, Chairman

-
Date: _____

-

LIST OF EXHIBITS

-
Exhibit A is a packet of information submitted by Marcia Berkgigler, Director of Government Relations, Charter Communications, Reno, Nevada, containing:

- A 27-page presentation titled “Municipal Telecommunication Overbuilds: The Track Record and New Incarnations,” prepared by the University of Denver, Daniels College of Business;
- An 83-page report titled “Costs, Benefits, and Long-Term Sustainability of Municipal Cable Television Overbuilds,” 1998, GSA Press, Denver, Colorado;
- A ten-page document dated May 1998 and titled “Executive Summary: Cable Overbuild Competition,” prepared by the Strategis Group, Inc., Washington, DC; and
- Six pages of various reproduced newspaper articles.

Exhibit B is a two-page letter dated June 21, 2002, to the Nevada Legislative Counsel Bureau from Arthur Mallory, District Attorney, Churchill County, Nevada, regarding Churchill County Communications, and a 26-page attachment titled “Comments of the Churchill County District Attorney’s Office Regarding CC Communications,” submitted by Mark Feest, Deputy District Attorney, Churchill County, Fallon.

Exhibit C is a one-page letter dated April 26, 2002, to the Administrative Office of the Courts, from Kenneth S. Kruger, President, All American Driving School, regarding an allegation of misconduct, submitted by Kenneth S. Kruger, Owner, All American Driving School, Reno, Nevada.

Exhibit D is a five-page document titled “Clark County Response,” provided by the Honorable Jack Lehman, Drug Court Judge, Eighth Judicial District Court, Las Vegas.

Exhibit E is a four-page letter with attachments dated June 11, 2002, to Senator Michael Schneider, from Mary C. Walker, CPA, regarding bill draft language submitted by Mary C. Walker, CPA, Lobbyist, Carson City, Douglas, and Lyon Counties, Minden, Nevada.

Exhibit F is a seven-page copy of a legal opinion prepared for Senator Mike McGinness by the Legal Division of the Legislative Counsel Bureau on July 2, 1999, regarding the rebroadcast of FM radio signals, presented by Paul G. Gardner, President, Elko Broadcasting Company, Elko, Nevada.

Exhibit G is the “Work Session Document,” prepared by Michael J. Stewart, Senior Research Analyst, Research Division, Legislative Counsel Bureau, Carson City, Nevada.

Exhibit H is the “Attendance Record” for the meeting.

Copies of the materials distributed in the meeting are on file in the Research Library (775-684-6827) of the Legislative Counsel Bureau, Carson City, Nevada.