

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

Absent: Lingenfelter.

Chairman Hal Smith opened the meeting with a quorum present and called attention to AB 330, a bill that requires voter approval before certain community redevelopment plans can be adopted. He said he had sponsored the bill due to information he learned through participating in some studies that the businessmen in Henderson sponsored concerning that city's community development programs. To refresh the committee members on the background of present statutes, he recalled the hearings held in the 54th legislative session where the Rose Garden group from North Las Vegas had appeared in protest to condemnation proceedings that had occurred as the result of urban renewal projects in that community. This led to passage of legislation which requires voter approval prior to adoption of urban renewal condemnation proceedings. It was then thought the legislation provided sufficient protection. Chairman Smith found through the Henderson studies, however, that such is not the present case. The HUD experts who were consulted in these studies, particularly one Mr. Slattery, advised that it is possible in certain federal projects for condemnation proceedings to occur without voter approval. These are in the areas outside the purview of urban renewal projects.

Chairman Smith then stated that he had requested the legislative counsel to draw legislation with broader language to bring these other projects subject to referendum of the people concerned in any kind of governmental redevelopment program.

The committee next considered AB 311 which increases the penalty for failure to have a contractor's license. No member of the Contractor's board was present so the testimony of the bill's sponsors was sought. Assemblyman Bowler told the committee that the bill had been drawn at the request of a group of Southern Nevada contractors who complained that many contractors have been coming into the area and undertaking projects without conforming to the licensing requirements. They do this it is asserted because the penalty is so low that it is easier to pay the penalty in the event they are caught than it is to go through the licensing process. This bill, then, was drawn to increase the penalty. Assemblyman Bowler said that Mr. Rowland Oakes of the Associated General Contractors had indicated that his association found no fault with the bill other than a suggestion that perhaps the penalty of \$2,500 in AB 311 is too high. Assemblyman Bowler was thanked for his presentation and was excused.

The committee considered AB 311 further with special regard to the amount of penalty prescribed. Chairman Smith asked Assemblyman Hilbrecht to correlate this penalty with other criminal code fines such as misdemeanor, gross misdemeanor, or felony. Mr. Hilbrecht said that off-hand the figure of \$2,500 is unusual but would probably relate more to the gross misdemeanor area. Assemblyman Wood secured a complete copy of the statute and said it provides a fine

not to exceed \$500 and does not prescribe a misdemeanor. Chairman Smith the Assemblyman Hilbrecht research the bill with the object of amendment in mind and report the bill back for further consideration.

It was noted that more members of the committee than a quorum were present and AB 330 was further discussed. The committee agreed that all condemnation proceedings should be brought into the open and made known to the public in community development programs.

Branch moved Do Pass AB 330.
Getto seconded.
Motion unanimously passed.

AB 343 which allows entities to maintain a zoo was presented to the committee. The committee felt that this bill should be more properly referred to the Committee on Fish and Game.

Getto moved AB 343 by re-referred to the Committee on Fish and Game.
Branch seconded.
Motion unanimously passed.

AB 346 which would place the observance of Nevada Day, (October 31), on the last Friday in October. Assemblyman Dini asked that the committee hold this bill for further consideration to allow time for consultation with his constituents. The committee agreed to delay action on the bill.

The committee next considered AB 258 which is permissive legislation that would allow the boards of county commissioners to budget and pay for flags to be placed on graves of deceased war veterans prior to or on Memorial Day.

Bryan Hafen moved AB 258 postponed indefinitely.
Motion seconded.
Motion unanimously passed.

Chairman Smith advised the committee that he recognized that some of them had urgent obligations and that if in the event any testimony was received without a quorum present that it would be recorded and acted upon at the Monday meeting. Assemblyman Hilbrecht said that further consideration of both SB 114 and SB 138 should be deferred pending an opportunity for further research. The committee agreed.

AB 118 which changes title of North Las Vegas police judge to municipal court judge and extends his term was discussed. Assemblyman Dini noted that the bill should be amended in Section 31, (c), (d), and (e) to make the qualifications for residence conform to the other North Las Vegas requirements. Assemblyman Hilbrecht said that in the absence of Assemblyman Branch he had been asked to urge the committee to act on the measure.

Hilbrecht moved AB 118 be amended and Do Pass as amended.
Dini seconded.
Motion unanimously passed.

The committee recessed to await the arrival of representatives from

the State Highway Department. They had been asked to assist the committee in their consideration of AB 280, 281, 282 and 283.

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The meeting convened upon the arrival of Reno Attorney, Thomas Cooke, legal counsel for the Associated General Contractors who expressed interest in AB 311 previously discussed by the committee.

Chairman Smith thanked Mr. Cooke for his interest and told him what the committee had discussed earlier. Mr. Cooke concurred that as Mr. Rowland Oakes had indicated the association had no strong feelings on the bill. He said that in northern Nevada he was not aware of excessive abuse by contractors of the licensing provisions but he did advise the committee that in known cases the tendency was for the Justices of the Peace to levy very moderate fines seldom exceeding \$50 and that it would be desirable to establish a more stringent penalty for violations.

The representatives from the Nevada State Highway Department arrived and were introduced to the committee. They were: Deputy State Highway Engineers Ralph J. Ottini and Grant Bastian; Legal Counsel James Thompson; and Right-of-Way Specialist Richard Cordain.

Chairman Smith thanked them for coming and asked that they make their comments first on AB 280 which requires a defendant in eminent domain proceeding who withdraw more than 50% of the money deposited in the court to post bond. Mr. Thompson said that this bill had not originated with the Highway Department and he suggested that the Attorney General had probably requested it on behalf of the Department. He said that he felt it was good legislation.

Attention was next directed to AB 281 which authorizes relocation payments and advisory assistance for persons displaced by highways. Mr. Thompson stated that in 1968 Congress had passed a Federal-Aid Highway Act and that this measure is necessary to Nevada in order to take advantage of the federal allowances. He said the bill almost exactly parallels the language of the federal act. At the present time, it was developed, a family is paid up to \$200 and a business is allowed \$3,000 for relocation expense.

This bill increases the sums that can be received for relocations of families and business enterprises. Ranches and farms are included in the business enterprises.

The committee discussed the various relocation payments allowed by the bill with the highway department representatives. It was developed that restrictions are built into the legislation by way of determinants and standards which would not allow for a claimant to better himself at public expense. The objective is to provide more equitable settlements that have been possible in the past. It was developed that the greater part of the freeway proposals affecting the State of Nevada have already been processed in the areas of relocation. The compensations set forth in AB 281 would remain effective until July 1, 1970. One area in which a relocated family might better itself is in the determination of square footage essential for a dwelling to house a given number of persons. In other words, some persons who are presently living in sub-standard conditions would be required to meet the minimum standards. The

highway department representatives all agreed that this bill is needed by the State of Nevada and urged the committee's approval. 162 Negotiations are presently halted pending action on the bill because the claimants all are aware of the increased compensation that they will be eligible to receive. Also the federal act is drawn in such a manner that the state would be penalized in receipt of matching funds if the State of Nevada does not conform to the Federal Act. Unless we have this bill by July 1, 1970 all federal aid to the state will be discontinued.

AB 282 was next commented upon by Deputy Bastian. This bill permits highway engineer to give final acceptance to contracts in some instances if uncompleted portion is insubstantial. By allowing the highway engineer to authorize release of part of the retent funds the contractors are enabled to satisfy costs prior to final completion of the project. This can be done without any harmful effect on the general fund.

AB 283 would provide to the highway department relief against unauthorized crossing or cutting of control-of-access fences on highways. This bill is primarily aimed at the landholders in the eastern part of the state who repeatedly destroy fences erected by the highway department to protect interstate and other highway accesses secured by the granting of abutters' easements of access.

Assemblyman Mello noted that the executive estimate of cost on AB 281 is \$10,000 and asked if this would necessitate the bill being considered by Ways and Means. It was developed that the funds are contained in the budget and will be considered on that basis.

Chairman Smith thanked the highway department officials for their appearance and indicated that these bills will be given the committee's full consideration.

Chairman Smith then advised the committee that ex-State Senator Ray Knisley had asked to comment further on SB 148.

Mr. Knisley said that as the result of misunderstandings and disagreements arising out consideration of SB 148 the agreement arrived at between the City of North Las Vegas and the Public Employees Retirement Board had been further researched. This has resulted in the following information about the bill. The original assessment bonds were not general obligation bonds. They are assessment district bonds. They definitely had an ad valorem tax back up. They were district bonds according to the North Las Vegas Charter. In the last step of a default the City would and must levy an ad valorem tax on the City as a whole. The replacement bonds in the recent agreement also have this covenant written into them. The language used in subparagraph 1 is identical. The additional security that is provided in Sec. 5 is contained in par. 2 providing that the entire proceeds of interest and principal to be received from the sale of the so-called "Ronnow" property to Pardee Phillips are available. Sec. 3 is identical with the provisions of the existing bonds which are in arrears. The same thing will prevail is there is failure to make payment of the replacement bonds. They go to the ad valorem tax on the entire city of North Las Vegas. In reading

the bill this is not very well disclosed. It would appear they were general obligation bonds but they are not. Both Senator Dodge and Senator Gibson feel that the bill should move when you are satisfied with the conditions of security. If you desire they would like to appear before this committee and legal counsel Frank Daykin would be willing also to appear if you wish. North Las Vegas must have time to get an ordinance passed. Their fear is that this may hurt the standing of all of the state bonds.

Mr. Curt Blyth of the Nevada Municipal Association said that in the regular ordinance procedure this would be March 1st. They want to have it taken care of by April 1st.

It was developed that Senator Gibson and others had tried to devise another means of curing this but they could not. This is not done to pull the chestnut out of the fire. It is done to stabilize the entire bond picture for the State. Mr. Knisley stated that the information discussed yesterday with regard to 18 months being required for foreclosure is erroneous inasmuch as most of the 18 months has already transpired. The foreclosure notices have been made and the 18 months have run against the debtor. The next ensuing 13 months has run in part. At least 6 months of it is gone. The time of realizing something on foreclosure is not very far in the future. Their main concern is that we don't dare let North Las Vegas and Clark County go into the ad valorem assessment. This is the best they are able to come up with. These bonds here are the special obligation of a district and the essential requirement is that then the city must come forth. Mr. Curt Blyth said the first obligation is against the annual payment, next the foreclosure proceeding against the property. The third obligation is against any other moneys the city might have. The 4th obligation is on the ad valorem tax. At the present time, the first obligation has not been met. They are trying to get the second obligation. the 3rd and 4th obligations they are trying to avoid. In the time sequence he said it was his understanding the ad valorem taxes have not been paid to the property.

If the investigation finds in fact that North Las Vegas will be unable to repay any of the interest, then they are in the same boat as when this started. They are going to have to look at the outstanding bonds and to the total value of the property. Mr. Blyth said that with the exception of this one assessment district there is not much question that the value of the property is more than enough to secure the bonds. The question is how much is the industrial park worth. There are differences of opinion.

It was suggested that the Bonding Commission should have more authority in these areas of investment. Mr. Knisley said that that the fear of a foreclosure could affect the sale of the land. The interest on the new bonds is \$150,000. There are no obligations on the interest payments. This bill picks up additional security for the bonds. There are in arrears now; they are not in default. Whatever is disclosed by the audit of the City of North Las Vegas will not change this situation at all. This arrears must be cured. By taking this action you will show that the legislature is taking

a responsible position. It has been established that the security for the refunded bonds is better. The present reports show that the "Ronnow" property sale is negotiated and those funds are clear and free to be used. They negotiated a very good sale of the property.

Chairman Smith thanked both Mr. Blyth and Mr. Knisley very much for their presentation and the meeting adjourned.