

OUTLINE OF JOINT MEETING SENATE COMMITTEE ON FEDERAL, STATE AND LOCAL GOVERNMENTS AND ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS, 55TH LEGISLATIVE SESSION - FEBRUARY 6, 1969 31

Present: (Senate Committee) Chairman Gibson, Monroe, White, Dodge Hecht, and Gibson.  
(Assembly Committee) Chairman Smith, Hilbrecht, Dini, Bryan Hafen, Branch, Lingenfelter and Getto. *Mello.*

Absent: Senator Farr and Assemblyman ~~Mello~~ *Wood*

Senate Chairman Gibson convened the meeting which was called to consider SB 27, 28, 29, 47, 73 and 74. He welcomed to the hearing the following: Boulder City Manager, Guild Gray, Fiscal Consultant Nick Smith, Boulder City Mayor Morgan Sweeney, Curt Blyth, Nevada Municipal Association, Mr. Ernest L. Newton, Nevada Taxpayers Association, and Mr. Robert McAdam, representative Bell Telephone Co. of Nevada. The presence of Assembly Speaker McKissick, Senator Hug and Assemblyman Capurro was acknowledged.

Chairman Gibson then introduced Russ McDonald of the Legislative Counsel to explain the bills before the committee for consideration.

Mr. McDonald said that the genesis of this series of bills goes back to the fact that Boulder City is one of two types of commission government that have been authorized. It was a Federal City that went into a charter organization. The charter, he said, is not subject to legislative amendment except by indirection. The charter itself as approved by the people says that the general laws that are not in conflict with the charter shall apply. This infers at least that you could not possibly pass a special statute that would apply to Boulder City without a determination. He recalled to the committee the fact that in 1967 most of the municipalities, including Boulder City, were given authority under the Southern Nevada Water Project to do a certain amount of local work in order to bring in additional facilities and participate in the use of the water. Under the terms of federal repayment contracts each of the municipalities had to enter into certain agreements and as is usual each district had to have their contracts validated by the District Court in Clark County. Because of the charter limitations the repayment contracts met with some difficulties. There was a question of whether Boulder City had the authority to enter into this type of activity. The Boulder City Council brought an original action in the Supreme Court to determine. This was a double gift for the State of Nevada for it presented an opportunity for legal determination of powers. The Supreme Court was prevailed upon to answer 95% of the problems. Boulder City had to do several things. They had to enter into a repayment contract with the federal government for certain water rights. Bond counsel and the federal government said there had to be corrective legislation to allow Boulder City to do this. These are of a general nature. These bills are drafted with the idea that they are general in nature and would apply to any municipalities. SB 73 is the only bill limited to Boulder City.

Chairman Gibson said that Boulder City's charter was adopted by initiative petition. Boulder City and the City of Carlin are the only two commission types of charter; Boulder City has the Manager-Council form and Carlin has the Mayor-Council form.

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Mr. McDonald presented SB 27 which authorizes incorporated cities and towns to acquire, improve, equip, operate and maintain public improvements and to issue bonds to acquire, improve and equip public improvements. He said that with the adoption of the local government improvement laws they were attempting to go into chapter 268 of the Nevada Revised Statutes to provide enabling legislation. SB 27 is modeled after the County Bond Law and will provide comparable legislation for incorporated cities. The bill designates a number of projects for which bonds can be authorized. Mr. McDonald stated that the bill does not parallel the County Bond Law because it is necessary to go to the city charter to describe the projects and the processes for the issuance of bonds. For example, Reno and Sparks may go to referendum for the issuance of bonds. This is not true of other cities.

Senator Dodge expressed his concern to the committee over the scope of projects for which bonds may be issued under the bill alluding to the committees' other deliberations prompted by default in payments due from bonding of a special assessment district. Mr. McDonald stated that this bill is restricted to general obligations bonds and not those which would arise from a special assessment district. Mayor Sweeney supported the scope of the bill by outlining the scope of projects Boulder City was granted from the federal government and what will be entailed by the continued growth of these projects. He presented the example of how Boulder City's council had been empowered by the people to erect a television transmitter system which was effected through agreements with the Central Telephone Co. It is anticipated that further improvements may dictate creation of an underground cable system not covered by existing project definitions.

City Manager Gray stated that he felt there was a general misunderstanding that arose from the manner in which the City of Boulder City subdivided one large district. He said that the subdivided lots were placed for sale at an evaluation which included electric, sewage, and other project improvements but that in fact the actual improvement values were deducted from the final sale price. For example, if a lot was valued at \$5,000 and improvement values were set at \$3,000 the lot was actually sold for \$2,000.

Mr. Gray further stated that with regard to Senator Dodge's comments on the scope of SB 27 the requests were based upon foreseeable requirements. As for the present, Boulder City does not require the full scope of projects outlined in the bill. If the committee deems it best to make the scope less broad, it could do so. Boulder City could not complete its work on the subdivision without the electric project provisions. There would have to be some way in the law of putting the electric system in the assessment district. Our purpose is to spell out the format by designating the purposes for which we can go to general obligation bonds. The whole bonding picture has to be cleaned up. With the exception of the electric and communication projects, counties have been given all of these projects.

Mr. Curt Blyth of the Nevada Municipal Association stated that the association felt these projects should also be given to the cities. The municipalities should have the authority to go into these projects.

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Mr. Ernest Newton of the Nevada Taxpayers Association said that his group was concerned with the opportunity the bill gives cities to get into a project before the financing is scheduled. It places a sort of "Hobson's Choice" to the people. He said a city should be able to accept a gift of a parcel of land unless it would take a large sum of money to develop it. He said they felt that restrictions should be placed upon entering into a project that is known to require long term financing.

Mr. McDonald advised the committees at this point that there was forthcoming from his office a "housekeeping bill" that attempts to go into the various city charters and repeal some of their provisions in such a manner that with SB 27, 28 and 29 the project limitations will be clarified. SB 27 does not enlarge the jurisdiction of the cities to engage in these activities. He suggested that this bill should be looked at with the "housekeeping bill" which will be ready for submission on Monday next.

Senator White suggested that the committee do that. Of the bills being considered today SB 73 which authorizes the city of Boulder City to acquire within a specified project area a telephone project is definitely confined to Boulder City. There is no problem with that. The other bills, however, have been drawn to be generally applicable to other municipalities.

Mr. McDonald was asked to comment on SB 28. He said that this again alluded to federal repayment contracts of Boulder City. It is enabling legislation pertaining to federal repayment contracts and is to be known as the Judicial Confirmation Law.

Chairman Gibson inquired whether it was in fact a companion bill to SB 29. It was agreed that it is. The procedure is provided for getting confirmation of this type of federal contract. Boulder City has entered in a contract with the federal government relative to water and power distribution.

Mr. Gray said that the Bureau of Reclamation will enter into a contract with Boulder City for assistance in the construction of a project to take water out of the Las Vegas Water project. The federal government will require that such a contract comply with a Judicial Confirmation Law that SB 28 would provide.

It was suggested to the committee that with the state's growth development more and more projects are being entered into with federal participation and that without the legislation provided in SB 28 and 29 many worthwhile projects may be lost to the state.

Both City Manager Gray and Mayor Sweeney indicated that such projects have been proposed in the area of housing and urban development.

Senator Dodge indicated that too often enabling legislation is provided for these projects in order to secure what then appears to afford favorable interest rates and that a close look should be maintained that prevents making the process too easy. Mr. McDonald stated that in this regard the interest rates suggested in initial negotiations seldom obtain when the contracts are finalized. The practice is for the money to be loaned at the rates prevailing at the time of consummation regardless of previous commitments alluded to.

Mr. McDonald was asked to comment on SB 47 which amends provisions concerning electric light and power, sanitary sewers and water in unincorporated cities, towns. He said that this bill along with SB 74 which amends Consolidated Local Improvements Law, County Improvements Law and certain city charters to clarify special assessment proceedings could best be considered after his "house-keeping bill" is introduced. 34

The committee agreed to withhold further consideration of SB 47 and 74 until that time.

Mr. McDonald then commented on SB 73. He said that this was a special bill pertaining to Boulder City's specific telephone project. Mr. Gray said that the city was in a different position on this than most other cities in the state. With regard to the large tract of land around the built up portion of Boulder City, the city has subdivided and sold the lots in the manner previously mentioned. Actual lot sales were effected on the estimates of unimproved lot evaluations. It is foreseen that future development may require going underground to provide television reception desired rather than relying upon above-ground facilities presently existing and operating in agreement with the Central Telephone Company. That company could only pay the subdivider that portion of the telephone system costs that is represented by the present tie-in with above ground poles.

Mr. Newton said that his association had no objections to SB 73.

Mr. McAdam of the Nevada Bell Telephone Co. said that it was his understanding that Boulder City had negotiated with Central Telephone in a satisfactory manner and that to his knowledge at this time there was no objection to the bill from the telephone industry.

The hearing was then concluded on the agenda that had been set.

Mr. Nicholas Smith, Fiscal Consultant and Bond Counsel, stated that he would like to avail himself of this opportunity to comment on other pending legislation. Chairman Gibson invited him to do so.