

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-third Session
May 18, 2005**

The Senate Committee on Government Affairs was called to order by Chair Warren B. Hardy II at 2:26 p.m. on Wednesday, May 18, 2005, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4401, 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 Warren B. Hardy II, Chair
Senator Sandra J. Tiffany, Vice Chair
Senator William J. Raggio
Senator Randolph J. Townsend
Senator Dina Titus
Senator Terry Care
Senator John Lee

GUEST LEGISLATORS PRESENT:

Assemblywoman Barbara E. Buckley, Assembly District No. 8
Assemblywoman Chris Giunchigliani, Assembly District No. 9
Assemblyman William C. Horne, Assembly District No. 34
Assemblywoman Marilyn Kirkpatrick, Assembly District No. 1
Assemblyman Scott Sibley, Assembly District No. 22

STAFF MEMBERS PRESENT:

Kim Marsh Guinasso, Committee Counsel
Olivia Lodato, Committee Secretary
Michael Stewart, Committee Policy Analyst
Catherine T. Barstad, Committee Secretary

OTHERS PRESENT:

Shirley Swafford, American Association of Retired Persons, Nevada
Barry Gold, American Association of Retired Persons, Nevada
William J. Birkmann, Nevada Alliance for Retired Americans
Terry Erkhart
A'shanti-Fayshel Gholar, President, Young Democrats of Nevada
Zach Zaragoza, Executive Vice President, Young Democrats of Nevada
Jason Fromoltz, Young Democrats of Nevada
Elizabeth I. Riseden
Danny N. Coyle, American Federation of State, County and Municipal
Employees Local 4041
Greg Leifer
Ron Rollo
David K. Schumann, Independent American Party
Dale Douglas
Judy Smith
Kent Lauer, Nevada Press Association
Ted J. Olivas, City of Las Vegas; Commission to Study Governmental
Purchasing
Jon L. Sasser, Washoe Legal Services
Michelle Poche, Assistant Manager, County Manager's Office, Washoe County
Mark Fiorentino, American Council of Engineering Companies of Nevada
David Kallas, Las Vegas Police Protective Association; Police Managers and
Supervisors Association
Bradford Jerbic, City Attorney, City of Las Vegas
Stephanie Garcia-Vause, City of Henderson
Oscar B. Goodman, Mayor, City of Las Vegas
Lawrence Weekly, Ward 5, City Council, City of Las Vegas
Dan Musgrove, Clark County
Michael G. Alonso, Las Vegas Convention and Visitors Authority; Airport
Authority of Washoe County
Nicole J. Lamboley, City of Reno
Dennis Johnson, Property Manager, City of Reno
Pamela B. Wilcox, Administrator and State Land Registrar, Division of State
Lands, State Department of Conservation and Natural Resources

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CHAIR HARDY:

Welcome to the Senate Committee on Government Affairs. We will call to order a subcommittee with Senator Care, Senator Tiffany and myself present. We have one bill on the agenda and then we will turn our attention to the work session. We will open the hearing on Assembly Joint Resolution (A.J.R.) 1.

ASSEMBLY JOINT RESOLUTION 1: Urges Congress to oppose privatization of Social Security. (BDR R-1101)

ASSEMBLYWOMAN BARBARA E. BUCKLEY (Assembly District No. 8):

I am pleased to be here to present A.J.R. 1. History came alive for me when I was in grade school during the Depression and then World War II. The elderly suffered great losses during that period. Franklin Delano Roosevelt said, "We can never insure 100 percent of the population against 100 percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age." The Social Security Act was born (Exhibit C).

Individual accounts do nothing to reduce the shortfall in funds. Privatization diverts money out of the Social Security Trust Fund, which must be replaced Exhibit C. Privatization turns social security from a guarantee into a gamble. Placing social security savings into Wall Street magnifies risk. I ask you to support this resolution urging Congress to protect our seniors, disabled, widows and widowers receiving social security benefits by strengthening social security and not gambling with it.

SHIRLEY SWAFFORD (American Association of Retired Persons, Nevada):

I receive social security, and it is important to me, my family and my community that it be protected (Exhibit D). Please support A.J.R. 1 and help future beneficiaries depend on consistent and reliable income.

BARRY GOLD (American Association of Retired Persons, Nevada):

We must act to protect social security. It is a promise the government made to all citizens to provide a dependable income for their retirement or disability or for

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their survivors. Creating private accounts will drain money from a system that already needs assistance with solvency. Social security was designed as a dependable source of income to protect one of our most vulnerable populations and to provide for its needs. Social security needs to be strengthened to protect our children and grandchildren, but the solution should not be worse than the problem ([Exhibit E](#)). I stand in full support of A.J.R. 1.

WILLIAM J. BIRKMANN (Nevada Alliance for Retired Americans):

The Nevada Alliance for Retired Americans has a membership of approximately 16,000 retired and senior citizens. We are asking for your support of this resolution.

TERRY ERKHART:

I am a retired public employee and social security recipient from private industry. Approximately 12 years ago, I dealt with the retirement system of local government. Public retirement funds were opened to capital markets at a rate of 5 percent. That represented a considerable amount of money. As those funds went into the stock market, it appeared the market was growing, and that percentage of retirement funds kept growing. Over the last 15 years, the stock market has seen a huge increase due to increasing availability of cash. During that same period there has been a proliferation of mutual funds which provide more cash for the stock market. There is concern that the baby boomers may start cashing in their stock after investing the past several years in this boom market. One solution is to apply payroll tax to all income, not just up to the \$90,000 limit. People who make \$90,000 or less pay 7 percent, and those who make \$180,000 pay 3.5 percent of their income. The social security tax should be spread over all income and not have the percentage go down as the income goes up.

CHAIR HARDY:

We have some Young Democrats of Nevada here today whom I would like to acknowledge, for the record. Please come forward, A'shanti-Fayshel Gholar, Zach Zaragoza, Jason Fromoltz, Heather Brown and Matthew Hagen. Some of you will be testifying; I want to thank you all for coming to let your voices be heard.

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A'SHANTI-FAYSHEL GHOLAR (President, Young Democrats of Nevada):

I am here today to let you know the Young Democrats of Nevada are strictly opposed to the privatization of social security. Privatizing social security directly affects young people who stand to lose the most. In addition to our loss of benefits, the trillion dollars of debt would fall on us as well. As young people, we work hard to keep ourselves out of debt. Since Franklin D. Roosevelt and Congress created the Social Security Act in 1935, Presidents and Congresses have come and gone, but social security remains. Social security is a constant provided by our government on which we rely. We do not deserve to lose our benefits, acquire huge debt and have our money diverted into risky private accounts. We ask you to urge Congress to oppose the privatization of social security.

ZACH ZARAGOZA (Executive Vice President, Young Democrats of Nevada):

Social security is a system which was created to provide security for older Americans long before I was born. Although the system will be solvent for at least 40 years, I will not be of retirement age at that point. We need to find solutions to ensure all young Americans will have social security; that solution is not privatization. Privatization will only increase the enormous debt with which we will be burdened. A faulty investment or downturn in the economy could severely hurt millions of Americans. Social security was not intended to be a system of the haves and have nots. We need to preserve social security as a system which provides protection. As a young person most affected by the social security changes, I urge you to pass this resolution. Doing so will send a message to the current administration that Nevada does not support any rash social security solution that would include privatization.

JASON FROMOLTZ (Young Democrats of Nevada):

I am here to voice my support for A.J.R. 1 and my concern over the privatization of social security. If I want a private savings account, I will find one. I do not need my government to secure one for me. Social security is a social insurance program. Insurance programs are not supposed to create risks. I encourage you to find a real solution, and I ask you to support this resolution.

CHAIR HARDY:

We now have a quorum, and we are in full Committee.

ELIZABETH I. RISEDEN:

I am the poster child for why social security should not be privatized. Since my retirement in 2000, I have lost nearly all the money I had invested in private organizations. If it were not for social security and a state retirement fund, I would have lost my home and my medical care. I believed in the American dream, and I invested the largest portion of my money in the stock market. My money is gone. This has had an adverse effect on my children and my grandchildren. If I were to lose my social security, my children would be faced with supporting me, or I would become a ward of the State. There should be no element of gambling with the social security of elderly Americans.

DANNY N. COYLE (American Federation of State, County and Municipal Employees Local 4041):

When I read the economic evaluation of the social security, I found the federal government owes about \$200 billion to the Social Security Trust Fund. Our Nation's leaders should find a means of returning funds to this trust. If their obligations were honored, the Social Security Trust Fund would be increased by \$200 billion. This would extend the longevity of social security another 20 years. We are in support of A.J.R. 1.

GREG LEIFER:

I am the Director of Nevadans United to Protect Social Security. We are a grassroots coalition movement with member organizations that represent thousands of Nevadans. We support this resolution because social security is vital to the people of Nevada. Privatization is a risky scheme for the American people. It decreases guaranteed benefits and causes massive debt increase by taking money from the social security system. Benefit cuts and debt will increase the burden on state and local governments, and privatization does nothing for solvency.

RON ROLLO:

As a small businessman here in Las Vegas for 25 years, I conduct financial planning and consolidation, and I am opposed to this resolution. When you are self-employed, you pay all the social security tax for employees, which is about 15 percent. The 7 percent mentioned is what the employee pays. If I had to pay tax on \$90,000, I would be paying \$13,500 per year in social security tax. Even with these high taxes, benefits cannot be met. The Social Security Trust Fund can survive only if the benefits are reduced. Individual private accounts would be a choice under the present proposal. It is not privatization of social

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security. It is not mandatory, but a choice. There is nothing wrong with allowing the younger generation to build an asset which they will eventually own. I strongly oppose this bill.

DAVID K. SCHUMANN (Independent American Party):

I also represent the Nevada Committee for Full Statehood. Attached to my remarks is a report by Thomas R. Saving ([Exhibit F](#)). Mr. Saving is a Trustee of the Medicare and Social Security Trust Funds. In 1903 Carlo Ponzi came to America. His legacy thrives more than 100 years later. Ponzi died broke in Brazil, but his legacy continues. At age 37, Carlo Ponzi founded Securities Exchange Company and used it to make millions of dollars at the expense of others. What we are faced with today is broken promises that go back to the Social Security Act signed by President Franklin D. Roosevelt, [Exhibit F](#).

The President of the United States is now proposing to allow people to have some ownership in order to keep social security afloat. Privatization will enable you to have a savings account of your own and enhance the social security fund. If you decide to take 4 percent and invest it in a bond fund or something comparable, you will have available funds from which to draw when you are 40 years old, instead of waiting another 25 years to receive only what you contributed to social security. Your children and grandchildren can inherit your investment funds. They will never see your social security benefits because social security stops when you do. I stand opposed to [A.J.R. 1](#), and I urge you to defeat this resolution.

DALE DOUGLAS:

I applaud our President for being aware that social security is not going to be a total answer to old-age financial security. Privatization will allow our citizens to retire with substantially more funds. As of February 18, the poverty level index ended at \$9,750. My social security income is \$6,600, of which \$600 is paid for health insurance. I have \$6,000 on which to live for the year. I gained experience with the stock market. We are brainwashed to rely on the government to handle our funds. I am living below the poverty level right now. Today's retirees should get the message out to younger Americans that they have an opportunity not previously available. I strongly oppose [A.J.R. 1](#).

JUDY SMITH:

My husband and I are retired. We lost all of our money in the stock market. We need to keep the social security program as it is now. Social security is little

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enough for retired people to live on without taking out a percentage for gambling in the stock market. We need to leave it alone.

CHAIR HARDY:

Thank you for taking the time to participate in this discussion. We will close the hearing on A.J.R. 1.

Committee, we will turn our attention to the work session documents, beginning with Assembly Bill (A.B.) 31.

ASSEMBLY BILL 31 (2nd Reprint): Makes confidential certain records of local governmental entities relating to use of recreational facilities and participation in certain instructional and recreational activities and events. (BDR 19-602)

CHAIR HARDY:

We have one amendment proposed to A.B. 31 ([Exhibit G](#)).

SENATOR CARE:

We are going to keep information confidential, but we are going to give it to attorneys and the press for journalistic purposes. The city will decide what is or is not a journalistic purpose. Attorneys and the press, of course, represent the public. Once it leaves the files, it is in the hands of the public as far as I am concerned. The bill contradicts itself. I cannot accept the amendment for the second reprint.

SENATOR RAGGIO:

I am reluctant to do so, but I will support this amendment. I would like Mr. Lauer to define a journalistic purpose for this Committee.

KENT LAUER (Nevada Press Association):

There might be an occasion where questions are raised concerning a recreational activity. We may have to contact participants to get their point of view in a controversy. We would need that information in order to pursue a story, which is the journalistic purpose.

CHAIR HARDY:

Senator Raggio, is that a satisfactory answer?

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SENATOR RAGGIO:
It is a response. Thank you.

SENATOR TIFFANY MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 31.

SENATOR TOWNSEND SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CARE VOTED NO.)

CHAIR HARDY:
The Committee will turn their attention to A.B. 39.

ASSEMBLY BILL 39 (3rd Reprint): Makes various changes to provisions governing purchasing by state and local governments. (BDR 27-560)

MICHAEL STEWART (Committee Policy Analyst):
Assembly Bill 39 makes a number of changes to local government purchasing provisions. It creates a process by which a bidder may file a notice of protest on certain contracts and permits local governments to use qualified newspapers for publication purposes. One amendment is proposed ([Exhibit H](#)).

SENATOR TOWNSEND:
Could we have one of the proponents of this bill give us the purpose, regarding the exemption for contracts relating to communication systems, from the competitive business process?

TED J. OLIVAS (City of Las Vegas; Commission to Study Governmental Purchasing):
When you are dealing with a communication system, it is impossible to include all the information required for a bid document. In this case, we would do a request for proposal (RFP) and give a general description of what the local government is looking for, then we could identify the proposal that best meets the requirements. The idea is to gather all information that makes up a communications system and transfer it to an RFP form.

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SENATOR TOWNSEND:

That is probably a competent answer, but I do not understand it. You just said this exempts them from a competitive bidding process and yet you have an RFP.

MR. OLIVAS:

There is a clear distinction in *Nevada Revised Statute* (NRS) 332 between the competitive bidding processes, which is the low response from a responsible bidder. In that process we send out a bid document that defines everything for which you are looking and submit it to the business community. The bids are submitted and the low response from a responsible bidder is accepted. There is flexibility on competitive bidding exemptions where the low response from a responsible bidder is not accepted. You are actually seeking proposals for one of these exemptions; it is not considered a competitive bidding process. We distinguish between a bid and a proposal, where we have flexibility. That is why we put this in section 7. We still have a formal process for seeking proposals.

SENATOR TOWNSEND:

I have not heard from anyone in the communications community, but that remains the most competitive, market-driven component of our society. Do we not want to take advantage of it?

CHAIR HARDY:

One of the water districts with which I worked decided to use a certain type of component in their pumps which they wanted to stock because it was much cheaper than stocking many different parts. They would like to go to an RFP and submit to anyone who makes this type of pump. They cannot do that legally, but it is an example of the problem. Within communications, you would only stock parts for one particular unit, and anyone who sells that unit is free to bid. Is that an acceptable example?

MR. OLIVAS:

Yes, and you are right, it is a competitive market. It would be impossible for a local government jurisdiction to provide a document in which everything the companies offer is included.

SENATOR TOWNSEND:

You want the flexibility to choose the item because it meets your needs, not because it is the cheapest.

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MR. OLIVAS:
That is correct.

SENATOR TOWNSEND:

I agree. Sometimes system components that will last longer or provide a better service are not the cheapest. What is troublesome is the private sector. A request for information (RFI) is sent out with a general description. The companies would respond by indicating their available components, qualifications and willingness to help solve your problem. Based on that, you would write an RFP because you are better informed about the marketplace. That is normal in the communications world.

I do not agree with the term, "it exempts you from competitive bidding" because that means you can go over to any communications company and proceed to purchase what you need. That is not what the public wants.

MR. OLIVAS:
Historically, we have found those types of items in NRS 332.115. The process you identified is precisely what we do.

CHAIR HARDY:
We will put A.B. 39 on hold for now and turn our attention to A.B. 334.

[ASSEMBLY BILL 334 \(1st Reprint\)](#): Provides for protection of social security numbers and certain other personal information. (BDR 19-874)

MR. STEWART:
Assembly Bill 334 requires governmental entities and any person doing business in Nevada that owns, licenses, or maintains computerized data that includes personal information to notify the resident, owner, or licensee of the personal information, if any breach of the computer security system is discovered. There are several amendments to this bill ([Exhibit I](#)).

CHAIR HARDY:
The purpose of the bill is clear. However, some people feel this will take an inordinate amount of time. We need to make these amendments clear to the Committee.

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ASSEMBLYWOMAN BUCKLEY:

The amendments were all concerns brought by a large number of people who have an interest in A.B. 334.

The first proposed amendment clarifies that a person can request the government not require social security numbers on documents filed with the government on or after January 1, 2007. If it is specifically required by federal or state government, it must be maintained in a confidential manner. The tighter language came from our Legal Division. The second amendment clarifies the starting time for notification, "not less than 30 days after the entity knows or should have known." This clearly defines the existing language. The purpose of the amendments is keeping social security numbers confidential. The effective date is not top priority. I just want to protect social security numbers. Whatever the Committee feels is reasonable is fine with me.

CHAIR HARDY:

The final proposed amendment clarifies punitive damages that may be awarded in a civil action against a business are only authorized if the violation is willful intent.

SENATOR RAGGIO:

I support the concept. Was the change in the dates an attempt to avoid the fiscal note? If so, has anyone submitted a revised fiscal note?

ASSEMBLYWOMAN BUCKLEY:

The delay in the fiscal note was to give government more time. They are operating on the premise that we have to hire a hundred people to redact social security numbers. We made it easy for them. Starting in 2007, we will not collect them. You then have ten years to figure out a way to redact. There are only a certain number of documents to redact. I will check on a revised fiscal note.

SENATOR RAGGIO:

We should leave this bill with the 2007 date. I do not want this held up because there is a fiscal note of this magnitude. I will support a motion that leaves the date at 2007, with the understanding we would have to take a look at the fiscal note, when submitted.

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SENATOR TOWNSEND MOVED TO AMEND AND DO PASS AS AMENDED A.B. 334.

SENATOR LEE SECONDED THE MOTION.

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

CHAIR HARDY:

We will look at the work session documents for A.B. 188.

ASSEMBLY BILL 188 (2nd Reprint): Provides that certain databases which contain electronic mail addresses are confidential and not public records open for public inspection. (BDR 19-595)

MR. STEWART:

Assembly Bill 188 requires a governmental entity to maintain a secure database of electronic addresses of persons who communicate electronically with the entity. Under this measure, such a database is not considered a public book or record that must be open for public inspection ([Exhibit J](#)).

SENATOR TIFFANY MOVED TO AMEND AND DO PASS AS AMENDED A.B. 188.

SENATOR TOWNSEND SECONDED THE MOTION.

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

CHAIR HARDY:

Mr. Stewart, please introduce A.B. 323 from the work session documents.

ASSEMBLY BILL 323 (1st Reprint): Requires Bureau of Consumer Protection in Office of Attorney General to conduct audit and investigation of rate-setting practices of Truckee Meadows Water Authority. (BDR S-137)

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MR. STEWART:

This bill was brought to us by Assemblywoman Heidi Gansert. It requires the Bureau of Consumer Protection in the Office of the Attorney General to conduct an audit and investigation of the rate-setting practices of the Truckee Meadows Water Authority (TMWA). The cost of the audit and investigation shall not exceed \$100,000 and shall be paid for by the TMWA. The results of the audit and investigation shall be reported to the Director of the Legislative Counsel Bureau no later than December 1 for transmittal to the 2007 Legislature ([Exhibit K](#)).

SENATOR TOWNSEND:

I have discussed this bill with the representatives of TMWA. Given the challenges they have faced and the concern the public has with their rate-setting mechanism, the Bureau of Consumer Protection (BCP) should be considered as a source for an analysis of rate design and ultimate rate setting. Anyone can contact the Public Utilities Commission of Nevada (PUCN) if there are still questions. Upon further questions, we should review the role of the PUCN or the BCP relative to rate design issues, during the 2007 Session.

CHAIR HARDY:

I fully support this piece of legislation.

SENATOR RAGGIO MOVED TO DO PASS A.B. 323.

SENATOR TOWNSEND SECONDED THE MOTION.

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

CHAIR HARDY:

We will turn our attention to A.B. 355. This was introduced by Assemblywoman Chris Giunchigliani. She is presently attending another Committee so we will proceed.

ASSEMBLY BILL 355 (1st Reprint): Provides right of judicial review for certain final decisions of housing authorities. (BDR 25-752)

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MR. STEWART:

Assembly Bill 355 provides the decision of a housing authority to terminate a person's housing assistance is a final decision for the purpose of judicial review. The bill clarifies that a person may seek judicial review of such a decision in accordance with the Nevada Administrative Procedure Act. The bill defines a "housing authority" and also defines "housing assistance" as assistance received under section 8 of the U.S. Housing Act of 1937 ([Exhibit L](#)).

SENATOR RAGGIO:

There was some talk about an amendment, but I do not see anything that addresses that situation.

JON L. SASSER (Washoe Legal Services):

I have returned to this Committee with answers to Senator Raggio's questions. Please refer to my electronic mail handout on page 2 of [Exhibit L](#).

SENATOR RAGGIO:

This electronic mail handout is helpful. There did not seem to be any concern expressed by the housing authority. The information presented here should be made part of the record. Later, if it becomes a problem, we will have on record that this concern was indicated in [Exhibit L](#).

SENATOR RAGGIO MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 355.

SENATOR TIFFANY SECONDED THE MOTION.

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

CHAIR HARDY:

Assemblyman McCleary is present from Assembly District No. 11 so I would like to open discussion on Assembly Bill 83, which he sponsored.

ASSEMBLY BILL 83 (1st Reprint): Revises provisions governing compensation of workmen on public works. (BDR 28-759)

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MR. STEWART:

Assembly Bill 83 clarifies that a contractor or subcontractor on a public work is only required to pay a workman or mechanic who is not subject to collective bargaining agreement overtime at the rate of one and one-half times the prevailing rate of wages for each overtime hour worked on the public work. For overtime hours worked for the contractor or subcontractor on a project other than the public work, the rate of overtime to be paid to the workman or mechanic is one and one-half times the regular wage rate for that work ([Exhibit M](#)).

CHAIR HARDY:

I requested specific clarification from the Labor Commissioner and the proponents of A.B. 83. This did not impact the ability of the contractor to pay the full package in cash as opposed to cash plus benefits. With that, I support this bill.

SENATOR TOWNSEND:

We made a policy statement this morning regarding overtime in the private sector. Is there a conflict based on what we processed this morning?

CHAIR HARDY:

I will clarify to what Senator Townsend is referring. The Senate Committee on Commerce and Labor amended a bill this morning to remove the 8-hour provision and go back to the federally authorized 40-hour provision. I do not believe this would be in conflict. I will yield to Ms. Guinasso. This speaks to the payment of wages on public works.

Ms. GUINASSO:

You are correct.

CHAIR HARDY:

You cannot have a person work six hours on a private sector job, send him over to work on a public works job and then not pay him overtime. It is an issue of equity. However, it does not work the other way. If the public work job was scheduled first for six hours and the private sector for six hours in the afternoon, it becomes a private sector job at that point.

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SENATOR RAGGIO:

Should the clarification of cash versus benefits be stated in the form of an amendment?

CHAIR HARDY:

We spoke to that issue. Currently, you have to pay prevailing wage on a job. For example, we will use \$30 per hour. Of that \$30, \$6 per hour could be part of a benefit package. Some contractors pay \$24 per hour cash and the remaining \$6 per hour goes into the benefit package. Some contractors chose to just pay \$30 per hour. This is clearly identified in other areas of the law, and I see no reason to address it again at this time.

Ms. GUINASSO:

Yes, the provision that allows for benefits to be considered a portion of the prevailing wage is set forth in another provision of the statutes concerning prevailing wage. Benefits can still be considered part of the total amount of prevailing wage.

SENATOR TITUS MOVED TO DO PASS A.B. 83.

SENATOR LEE SECONDED THE MOTION.

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

CHAIR HARDY:

Let us turn our discussion to A.B. 201 sponsored by Assemblyman Horne. Mr. Horne, welcome to our Committee.

[ASSEMBLY BILL 201 \(1st Reprint\)](#): Revises provisions relating to rehabilitation of certain residential property. (BDR 22-813)

MR. STEWART:

Assembly Bill 201 allows certain nonprofit organizations, classified as exempt from federal income tax, to apply for loans to rehabilitate substandard or abandoned residential property. These nonprofit organizations may also apply to receive title to abandoned residential properties from a local government for the

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purpose of rehabilitating the property and providing affordable housing ([Exhibit N](#)).

CHAIR HARDY:

Mr. Horne, before we go to a vote, please verify this amendment is accurate.

ASSEMBLYMAN WILLIAM C. HORNE (Assembly District No. 34):

I am in agreement with the language you have presented here.

SENATOR LEE MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 201.

SENATOR TIFFANY SECONDED THE MOTION.

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

CHAIR HARDY:

We will discuss A.B. 440 from our work session documents.

ASSEMBLY BILL 440: Revises boundary line between Washoe County and
Lyon County. (BDR 20-1019)

MR. STEWART:

This bill changes the boundary line between Lyon County and Washoe County. According to testimony, this would affect approximately 5,100 acres of undeveloped land that will be transferred to Lyon County from Washoe County. We have received testimony in support of and opposition to the measure, but no amendments have been submitted ([Exhibit O](#)).

CHAIR HARDY:

There is a question about where Washoe County stands on this proposal. It is important we have that information for the record.

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MICHELLE POCHE (Assistant Manager, County Manager's Office, Washoe County): Washoe County began working with Lyon County over a year ago to explore the potential of the boundary line adjustment. The Washoe County Board of Commissioners heard an item in March 2004 on this matter and was in support of the concept, but directed staff to explore the fiscal implications. They found the fiscal implications positive for Washoe County. The Board of Commissioners supported the bill, with three minor concerns. Those concerns were dealt with outside of the legislative process and that fact was clarified to the Board Commissioners. The Commissioners confirmed they did support the bill because the problems had been addressed. At that time, the Pyramid Lake Paiute Tribe spoke before the Board expressing several concerns about the bill. The Board stated it would support the bill with a recommendation the boundary line be rolled back to reduce the amount of area to be moved. This was an effort to accommodate the concerns expressed during testimony. Prior to that, the Board had supported the existing boundary line as proposed in the current form.

SENATOR LEE:

Are you familiar with the Truckee River Water Quality Settlement Agreement? The Tribe was concerned about the quality of water downstream because of a sanitation issue. Is Fernley a participant or is that Washoe County?

Ms. POCHE:

Washoe County is a participant in the Water Quality Settlement Agreement. Fernley is not a participant. Many concerns raised to the Washoe County Board of Commissioners when they were considering this bill related to specifics of actual development proposals in the area. One of the recorded issues was whether the boundary line was moved or not, any development proposal would have to go through review by Washoe County, Lyon County and the City of Fernley at the time the development is proposed and formally submitted. That has not happened. We do not have any detailed information about specific development proposals that would lead to any analysis of specific water issues.

SENATOR LEE:

This land now falls under Fernley and out of the Water Quality Settlement. This issue troubles me, but will work out in court.

SENATOR RAGGIO:

This is not helpful. Assembly Bill 440 has been held so we could obtain reassurance of the Washoe County Commissioners support. Neither

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Senator Townsend nor I want to vote on a bill that changes the boundary line of the counties we represent, unless the County Commissioners give their approval. Today you are testifying they have backtracked from their support of this bill which deals with 5,100 acres and are suggesting something less. I have no way to vote on this today. We need to hear a voice of authority from the Commission of five members. They can speak at a meeting or individually. We need to know the position of the Washoe County Commissioners on whether they want us to support this bill or something less.

CHAIR HARDY:

Today is at least the third time this has happened before our Committee. It has been a waste of our Committee's time. Perhaps the Washoe County Board of Commissioners has not been informed as to when the Legislature is in session and considering bills. In good faith, we are trying to process legislation to benefit these areas, and we are not being taken seriously by the Washoe County Commissioners. I would appreciate your relaying this message to Washoe County and obtaining an answer for Senator Raggio. The Committee does not have this kind of time to waste.

It is time to turn our attention to A.B. 156.

ASSEMBLY BILL 156 (1st Reprint): Revises provisions governing terms of certain contracts between public bodies and certain design professionals. (BDR 28-858)

MR. STEWART:

This bill clarifies that a design professional may not add a public body as a named insured on an insurance policy unless the policy permits such an addition. Also, it provides that if the insurance company chooses not to defend the design professional, he must reimburse the public body for attorney's fees and costs to the extent of his liability, as determined by the court. No amendments have been offered ([Exhibit P](#)).

MARK FIORENTINO (American Council of Engineering Companies of Nevada):

There has been no opposition to this bill. It cleans up some language on the contractual provisions the local governments can include in their agreements with design professionals on public works projects. All the issues were worked out in the Assembly.

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SENATOR TITUS MOVED TO DO PASS A.B. 156.

SENATOR LEE SECONDED THE MOTION.

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

CHAIR HARDY:

From our work session documents, we will look at A.B. 371.

[ASSEMBLY BILL 371 \(1st Reprint\)](#): Makes various changes concerning public financial administration. (BDR 31-605)

MR. STEWART:

Assembly Bill 371 makes several changes to the financial practices of local governments and the dissemination of audits by State agencies and local governments. The bill provides that audit reports may be disseminated by a State agency or local government without the consent of the auditor who prepared the report. Three amendments have been submitted ([Exhibit Q](#)).

CHAIR HARDY:

I have some questions concerning this bill. Specifically, section 3, subsection 3 requires a contract be entered into with the Office of the State Treasurer relating to purchase of investments and securities. That language might be too broad. In section 3, subsection 4, the State Board of Finance will not approve an investment advisor unless the advisor has at least 10 years experience advertising governmental entities. That language is too limiting. My preference would be to see section 3, subsections 3 and 4 amended out.

Ms. GUINASSO:

Section 3 could be eliminated in its entirety.

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CHAIR HARDY:

The motion would be to accept the amendments clarifying Senator Raggio's concerns and change section 3 of the bill.

SENATOR TIFFANY MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 371.

SENATOR TOWNSEND SECONDED THE MOTION.

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

CHAIR HARDY:

Committee, A.B. 197 is not on our work schedule for today, but after lengthy discussions with Assemblyman Atkinson, I decided to include it for your consideration.

This was introduced by Assemblyman Atkinson to change the ward boundaries and require that City of North Las Vegas councilmen be elected in wards. I request the Committee's consideration to amend this bill to require the City of North Las Vegas to develop a charter commission.

ASSEMBLY BILL 197: Revises Charter of City of North Las Vegas concerning election of City Councilmen. (BDR S-278)

SENATOR TIFFANY:

Do you believe this belongs in statute? Could the Committee send a letter of intent to the city? I direct this to Ms. Guinasso.

Ms. GUINASSO:

It would be possible to amend the charter to require it to be established. You could also send a letter of intent. From a legal perspective, either way would be acceptable.

SENATOR TIFFANY:

Is it traditional to individually name a city and require it to do something in statute?

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Ms. GUINASSO:

It is traditional. The City of North Las Vegas is a charter city. It has its specific charter. It is not uncommon for the Legislature to amend the charter of one particular city.

SENATOR TIFFANY:

We can amend the city charter, but to require something in statute is different. I do not recall seeing this situation in statute.

CHAIR HARDY:

I am not aware of any city charter where it is specifically required to have a charter commission. These charters are a creation of the State. I do not want to put a mandate on a local government, but we have had to deal with these kinds of internal arguments from the City of North Las Vegas for many years. We are forced to address this issue before Committee every Session because the City does not have a charter commission. For ten years I have encouraged them to adopt a charter commission. The time is appropriate for us to mandate that they develop a charter commission.

SENATOR RAGGIO:

I agree we have had this continued situation for many years. This Committee should send a strong letter indicating this is a troublesome matter, and there is no process by which charter changes can be recommended. We should suggest they provide a system to amend their charter and give them the opportunity to make the changes. During next Session, if action has not been taken on their part, we will have to mandate a charter commission.

SENATOR TITUS:

A letter would be the appropriate action. How many other charter cities have a charter commission? Do they all have charters or just certain cities? I put those questions out there to consider when the strongly written letter is drafted.

SENATOR CARE:

Testimony was from four members of the Committee who represent parts of North Las Vegas. They are members of the Legislature and not city council members. It is fair to say they represent North Las Vegas the same way I receive e-mails from county commissioners or constituents. They have problems they want the Legislature to address. It is problematic to simply say

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we should only alter a city charter if a city council thinks it is appropriate. However, with that on the record, I will agree with the Committee.

CHAIR HARDY:

This does not call for a motion. I will ask staff to prepare a letter for my signature. We may also want to consider a letter to the Washoe County Board of Commissioners regarding their unresponsiveness to this Committee. Let us turn our attention back to A.B. 39.

SENATOR CARE:

My concern with A.B. 39 is the proposed deletion of sections 10 and 11. We need to be careful because there is a perception issue involved.

CHAIR HARDY:

Since there is a need for further discussion, I will hold A.B. 39 until Friday. In the interim, Senator Townsend will have an opportunity to discuss this with Mr. Olivas. We will turn our attention to A.B. 142.

ASSEMBLY BILL 142 (1st Reprint): Authorizes certain persons to have personal information contained in certain public records kept confidential in certain circumstances. (BDR 20-952)

MR. STEWART:

This bill allows peace officers and judges to request their personal information contained in county assessor records be made confidential. Such a request must be made in an application to the appropriate court upon a sworn affidavit. Upon receipt of a court order, the county assessor is required to keep such personal information confidential, subject to certain exceptions. There were three amendments offered (Exhibit R).

SENATOR CARE:

I oppose A.B. 142. The census records are public records. You cannot have records that are sort of public. There are exceptions proposed in the amendments. It is dangerous to say that what has been public record in the past is not going to be public record in the future.

SENATOR RAGGIO:

I understand the concern for privacy. I also understand the viewpoint of Senator Care. There is a concept that should be discussed. Someone should be informed when their personal information has been requested. If someone comes into the assessor's office requesting my home address and a picture, I should be notified even if it is public information. I would like to ask Senator Care's response to this concept.

CHAIR HARDY:

This concept has been discussed concerning A.B. 142. A peace officer makes a decision to work in a position where his or her safety is on the line to protect the community, and this personal information should not be public. The family is different. I do not understand why we should subject the family to this rule of public information.

SENATOR CARE:

The Majority Leader raises an interesting point. I do not know what kind of burden that would put on the assessor's office.

CHAIR HARDY:

I do not see a public purpose being served by having names available to anyone sitting at a computer.

SENATOR TOWNSEND:

The point addressed by Senator Raggio is important because you can physically request personal information from the voter registrar's office or you can request the same information by computer. There are multiple ways to acquire home addresses. We should create a mechanism that would allow notification when someone requests personal information.

DAVID KALLAS (Las Vegas Police Protective Association; Police Managers and Supervisors Association):

I agree with Senator Raggio and his interpretation of the accountability aspect of obtaining personal information. The premise for the concern and the reason for the bill proposal originally were because anyone has the ability to find the address and even a photograph of the exterior of a residence. We need to make this information inaccessible to the public.

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CHAIR HARDY:

Under Mr. Lauer's amendment, a peace officer or judge would have to show sufficient justification for the confidentiality request. Working on cases involving drugs or gangs would be a valid reason for confidentiality.

MR. KALLAS:

I met with Mr. Lauer of the Press Association after A.B. 142 was passed out of the Assembly; apparently this information should have been contained in the bill and was not. As it is already State statute, the voter registration information has already been addressed in regards to confidentiality.

SENATOR CARE:

If the bill passes, as I understand the amendments, are we putting county assessors in the business of determining a journalistic purpose? The reporters would declare they need information for a journalistic purpose and the assessor could decide the purpose is not valid and refuse the information. Are we going to give that kind of discretion to assessors?

CHAIR HARDY:

That is similar to the earlier discussion. Senator Raggio asked that they state journalistic purpose. I certainly see that as a concern which might need to be addressed by future legislators.

MR. LAUER:

If a reporter requested information simply to write a story, that would constitute journalistic purpose. Journalistic purpose is reporting and writing.

SENATOR CARE:

The problem with that is someone having to make the decision about whether it is or is not journalistic purpose. We are allowing the government to determine the factual content in the news-gathering process. That is a dangerous precedent.

CHAIR HARDY:

Senator Care has a valid point. Perhaps we should just remove the language "for journalistic purpose" since that is something not subject to definition.

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SENATOR TITUS:

You could say if a journalist requested the information, it is assumed to be for journalistic purpose.

CHAIR HARDY:

Senator Care, does that help you at all? You do bring up a valid point.

SENATOR CARE:

It helps me, but not enough to vote for the bill.

SENATOR LEE MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 142.

SENATOR RAGGIO SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CARE VOTED NO.)

CHAIR HARDY:

Mayor Goodman in Las Vegas has been waiting patiently for us to address A.B. 312.

[ASSEMBLY BILL 312 \(1st Reprint\)](#): Requires certain governmental entities to conduct certain sales and other disposals of certain public lands and real property by public auction. (BDR 26-1089)

CHAIR HARDY:

The sponsor of A.B. 312, Assemblyman Sibley, is present. Mayor Goodman and Mr. Jerbic, it is my understanding that you have seen the amendment ([Exhibit S](#)) and the mock-up dated May 17 ([Exhibit T](#), original is on file at the Research Library).

BRADFORD JERBIC (City Attorney, City of Las Vegas):

I had an opportunity to review the mock-up in detail and have submitted a proposed language change to section 10 ([Exhibit U](#)).

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CHAIR HARDY:

For the record, a couple of our Committee members have to leave. We will ultimately process and vote on A.B. 312 on Friday. We will discuss any unresolved issues today in order to resolve them between now and Friday. Mr. Sibley, have you had an opportunity to review Mr. Jerbic's amendment?

ASSEMBLYMAN SCOTT SIBLEY (Assembly District No. 22):

I did review the amendment and had intended to include it in the mock-up. It was just overlooked when we prepared the mock-up. [Exhibit U](#) is classified as a friendly amendment.

CHAIR HARDY:

The mock-up we are referencing is in your work session document, [Exhibit T](#). Committee, we are looking at the proposed mock-up of May 17 prepared for Assemblyman Sibley and Assemblywomen Kirkpatrick and Giunchigliani.

ASSEMBLYMAN SIBLEY:

Section 1 deals with State land, and changes to include leases as well as sales of property. Leases are done on an auction basis, allowing the State to receive the maximum amount of proceeds. Please refer to pages 1 and 2 of [Exhibit T](#). Section 3 deals with the counties. We have duplicated the same language throughout the bill. Refer to pages 3 and 4 of [Exhibit T](#).

Ms. GUINASSO:

Mr. Sibley, please refer back to the first section. There is an item called a "statement of qualification." I am not sure what that means. Could you provide more detail?

ASSEMBLYMAN SIBLEY:

That was submitted by Assemblywoman Giunchigliani, and it had to do with the appraisers. Appraisers are qualified to either appraise residential, commercial or other related entities.

Ms. GUINASSO:

This is new as far as statute is concerned. I need to better understand the item called "statement of qualification" in order to describe it appropriately.

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ASSEMBLYWOMAN CHRIS GIUNCHIGLIANI (Assembly District No. 9):

The statement of qualification actually came from Clark County that does a "Statement of Qualification" mailed out as an application for individuals to offer skills and areas of expertise. For example, a general appraiser may specialize in agriculture or commercial and that "statement of qualification" would be the extent of his qualification.

Ms. GUINASSO:

When looking at this type of procedure, it may be appropriate to promote regulations for establishing a procedure. With respect to the local governments, a prequalifying procedure could be established.

ASSEMBLYWOMAN GIUNCHIGLIANI:

To solicit and prequalify would be simpler in statute.

CHAIR HARDY:

As long as it passes the Guinasso test, it is acceptable. Is there another issue you need to address, Ms. Guinasso?

Ms. GUINASSO:

I need to clarify the procedure in [Exhibit T](#) on page 2, section 2 of the proposed amendment. Sealed bids would be opened first. Those in attendance would be asked if they wished to make a higher bid of at least 5 percent above the highest sealed bid. [Exhibit T](#), page 3, section 2, subsection 9 references an initial parcel not being sold. I assume if the parcel is not sold under the initial procedure, it must be offered again. Is that correct?

ASSEMBLYWOMAN GIUNCHIGLIANI:

That is correct. I misused the term parcel as opposed to real property. The correct term would be real property.

ASSEMBLYMAN SIBLEY:

If the local government offers that real property for auction and it does not sell, they are not required to have a second auction. They can withdraw it from the market.

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Ms. GUINASSO:

The language should then read "it may be offered for auction the second time" rather than "it must be offered for auction the second time."

ASSEMBLYWOMAN GIUNCHIGLIANI:

We also added a phrase that said "nothing in the subsection prohibits the State from withdrawing a real property from public auction after it has held an initial auction."

ASSEMBLYMAN SIBLEY:

Our concern with using the term "may be offered again for auction" is that before it is listed with a broker, two auctions need to be held.

CHAIR HARDY:

We will deal with that later in statute.

Ms. GUINASSO:

In section 3 of [Exhibit T](#), you have added chapters 266, 268, 495, 496 and 497 of NRS. Then you lined out NRS 277.050. What was the intent?

ASSEMBLYWOMAN GIUNCHIGLIANI:

We put that into the interlocal agreement on page 10, section 11 of [Exhibit T](#).

Ms. GUINASSO:

I have one more question regarding page 3, section 2, subsection 9 of [Exhibit T](#). It reads, "... If the parcel is not sold or leased, the property may be listed with a disinterested broker" Who would ensure the fact that the broker is disinterested?

ASSEMBLYWOMAN GIUNCHIGLIANI:

That actually came from the Legal Division when we were discussing the disclosure portion. The intent is the broker not having any kind of link to the property.

CHAIR HARDY:

Mr. Sibley, please begin your description with section 3, subsection 1 of [Exhibit T](#).

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ASSEMBLYMAN SIBLEY:

Section 3 deals with the counties, but the common law and charter cities were added in an attempt to pull all the language together in [Exhibit T](#) as on page 3, lines 41 through 45 and page 4, lines 22 through 24. "This section shall not apply to those cities which require approval of the registered voters of the city before parcels of city-owned land of more than one acre may be sold." This is in reference to Boulder City because their land sale is taken to the vote of the people. That language was included in all the chapters. Two appraisals must be obtained from the rotating list of qualified appraisers. Everything in sections 3, 4 and 5 of [Exhibit T](#) will apply in parallel with NRS 266 and NRS 268.

Ms. GUINASSO:

Please refer back to page 3, section 3, subsection 1, [Exhibit T](#), to an item called a joint development agreement. I assume this is an agreement to which the governmental entity is a party. Is that correct?

ASSEMBLYWOMAN GIUNCHIGLIANI:

Yes, only the local governments or entities that are the elected bodies can enter into joint development agreements.

ASSEMBLYMAN SIBLEY:

We will move on to page 5, section 4, subsection 3 of [Exhibit T](#), where the same language is used concerning the sale of the initial parcel. Nothing in this subsection prohibits the State from withdrawing a parcel from public auction after it has held an initial auction. Our intent is to be consistent throughout.

ASSEMBLYWOMAN GIUNCHIGLIANI:

Ms. Guinasso, please follow on [Exhibit T](#), page 5, section 4, that has the exceptions on the interlocal agreement.

STEPHANIE GARCIA-VAUSE (City of Henderson):

I want to clarify some language in [Exhibit T](#), page 5, lines 29 through 35. This section is related to cities and counties, not the State; so that language changes from State to governing body or whatever is appropriate.

OSCAR B. GOODMAN (Mayor of Las Vegas):

My area of concern is a language change in sections 10 and 11.

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ASSEMBLYMAN SIBLEY:

Section 11 is where we made the change. We added a new section to include the new language in [Exhibit T](#), page 10, lines 20 through 30.

CHAIR HARDY:

You proposed to delete section 11 and replace it with the language provided by Mr. Jerbic in [Exhibit U](#).

ASSEMBLYWOMAN GIUNCHIGLIANI:

The language from Mr. Jerbic has been altered somewhat. The language in section 11 should basically appear on lines 24 through 30 on page 10 of [Exhibit T](#).

MR. JERBIC:

With respect to the proposed amendment we suggested, adding the definitions covers just about everything. At the beginning of section 11, line 22 reads "The governing body of a city may sell, lease or otherwise dispose of real property without conducting a public auction." That releases us from the auction requirement if we meet all the other requirements. It does not let us out of the appraisal or selling for fair market value, which is in section 3 of this bill. We need to be exempted from the auction, the appraisal and selling for fair market value or our ability to conduct certain transactions will definitely be affected.

CHAIR HARDY:

That speaks to the whole purpose of economic development, so it needs to be resolved.

MR. JERBIC:

The language beginning with "Notwithstanding the provisions of ... section 3 ..." in [Exhibit U](#) makes it clear whatever came before is irrelevant.

ASSEMBLYWOMAN MARILYN KIRKPATRICK (Assembly District No. 1):

There is a consensus we are in favor of [A.B. 312](#). We are bringing incentives to redevelopment and economic development. The City of Reno expressed concerns of wanting to sell at less than fair market value if infrastructure was brought in to the City.

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Ms. GUINASSO:

I need a recap on the provisions of section 11. Does this apply only to cities or does it apply to counties as well?

ASSEMBLYMAN SIBLEY:

We want it to apply for cities and counties that have a redevelopment or an economic development area. As taxpayers, we have to know the appraised value of the land. I have a problem with letting the cities out of the appraisal side of this bill.

MAYOR GOODMAN:

The intent here is making the entire transaction public. We have no problem with the point Assemblyman Sibley has made. This will be a matter of public record, and there will be no secretive deals.

MR. JERBIC:

The intent of line 3 of our proposed amendment is to make sure it is not a requirement to sell at appraised or fair market value. It was not intended to let us out of an appraisal.

ASSEMBLYWOMAN GIUNCHIGLIANI:

We now see the appraised value is presumed. Thus, the conclusion it is being sold or leased for less than fair market value.

Ms. GUINASSO:

The distinction is taken care of in Mr. Jerbic's language in [Exhibit U](#), "without conducting a public auction." The properties could be sold for fair market value, if so desired. I can take care of the language.

LAWRENCE WEEKLY (Ward 5, City Council, City of Las Vegas):

I want to lend my support to the amended language. This is about aiding our community in revitalizing and enhancing areas of proposed developments. We are in favor of the amendment to A.B. 312.

SENATOR TIFFANY:

Let the record indicate that Mr. Lawrence, Mayor Goodman and Mr. Jerbic are satisfied with sections 10 and 11, as we have discussed.

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ASSEMBLYWOMAN KIRKPATRICK:

I want to clarify that this amendment is intended for the county as well. They do have a redevelopment area, and the intent is to be consistent.

SENATOR TIFFANY:

We have covered everything on section 11. We will move back to the mock-up in [Exhibit T](#), pages 4 and 5, section 4.

ASSEMBLYMAN SIBLEY:

I want to thank the Committee for consideration of this amendment. It is appreciated. We will return to [Exhibit T](#), page 5, lines 29 through 35 which deal with two public auctions. Page 6, line 12 was actually a separate bill we combined into A.B. 312 which deals with smaller, less valuable parcels. These are remnant parcels separated from the original parcel because of construction. The county will sell these remnants to a landowner located adjacent to the small parcels so they may be combined and used for a worthwhile purpose.

SENATOR LEE:

What is the procedure right now for remnant properties?

DAN MUSGROVE (Clark County):

A complicated procedure is in place. It takes three to four commission meetings. This amendment would expedite the process and allow the adjacent landowners to have the first right of refusal at market value. The eminent domain bill is something that will be resolved at a later date.

SENATOR LEE:

There are different values on remnant property. Your answer on fair market value is what I needed to know.

CHAIR HARDY:

I need clarification. A piece of property is sold by eminent domain to a landowner who decides later he does not want the parcel. Are you saying if the buyer sells it back to the original owner, it should be at the present fair market value?

MR. MUSGROVE:

I do not have an answer to that question.

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CHAIR HARDY:

The answer is no. The original seller should have the right to buy it back at the same price for which it was sold. We need to resolve this if anyone thinks otherwise. It does not matter if the value went up. I feel strongly about this.

SENATOR CARE:

The theory is to restore the parties to their original position.

SENATOR LEE:

How long does the original owner of the property have to request the land be returned, if the land is not used?

SENATOR CARE:

This is a discussion we will have to address in a work session. The time varies in different states.

CHAIR HARDY:

The question of eminent domain should be addressed in the Senate Committee on Judiciary. I do not want to infringe on that.

ASSEMBLYWOMAN GIUNCHIGLIANI:

Please look at [Exhibit T](#), page 6, lines 28 through 32. That should be separated into two clauses, which would allow it to parallel the intent.

CHAIR HARDY:

That is an excellent suggestion. Ms. Guinasso, please handle the follow-up.

ASSEMBLYMAN SIBLEY:

We can move again to [Exhibit T](#), page 8, section 7, lines 23 through 25, where the appraisal based on the zoning is covered. This language was presented by the City of Henderson. There was an issue with local government concerning a master plan for these areas. The development process can be controlled through the local planning department. This will provide value to our community.

ASSEMBLYWOMAN GIUNCHIGLIANI:

In that same [Exhibit T](#), page 8, section 7, lines 28 through 31 are all new language. This is the same language Boulder City recommended. We want to spread this throughout all the local governments.

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Ms. GUINASSO:

Ms. Giunchigliani, does section 8 remain as written?

ASSEMBLYWOMAN GIUNCHIGLIANI:

No, section 8 is out. The section above it is all new language; section 8 is definitely removed.

ASSEMBLYMAN SIBLEY:

[Exhibit T](#), page 9, section 10, lines 25 through 32 have been addressed and are being deleted from statute. Turn to page 10 where it deals with the two auctions and a disinterested broker. The city, county and State language corrections have to be made. Continue on page 10, section 10, subsection 4, lines 13 through 17 where it addresses a city or county dealing with another governmental entity. Section 11 has been addressed with the City.

The next area with issues is [Exhibit T](#), page 15, section 17 that deals with the Airport Authority Act for Washoe County. Representatives of Washoe County testified at a previous hearing that they received no State or local tax revenue. They requested to be exempt from the statute. An agreement was reached and some changes were made. These changes are covered in [Exhibit T](#), page 15, section 17, lines 34 through 39.

Ms. GUINASSO:

I need clarification. Should the words "or otherwise dispose of" be deleted?

ASSEMBLYMAN SIBLEY:

That is correct.

MICHAEL G. ALONSO (Las Vegas Convention and Visitors Authority; Airport Authority of Washoe County):

On behalf of the Airport Authority of Washoe County, our issues have been covered, and I want to express support for [A.B. 312](#).

ASSEMBLYWOMAN KIRKPATRICK:

We did speak with our local governments in different entities, and they have agreed to bring back a finding in two years. It should be consistent for everybody. With that, we have nothing further.

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NICOLE J. LAMBOLEY (City of Reno):

Some issues related to leases need clarification. Dennis Johnson, the property manager for the City of Reno, will discuss this because it concerns land received.

DENNIS JOHNSON (Property Manager, City of Reno):

A rail corridor owned by Union Pacific Railroad runs through the center of Reno. A number of leasehold interests are on the property where there is vacant land or privately owned improvements. The entire corridor will be transferred over to the City of Reno in November when the trains go back on the main line. We will assume approximately 50 leases the railroad has in place at this time. Those will have to be slowly rewritten to get them off the documents that the railroad uses for its leases and on to the City standard lease. We would like to know how this will apply to current leaseholders who have built-in improvements or who may sell the improvements and have the leases assigned to somebody else. It probably will never happen in the State again, based on conversations with Union Pacific Railroad.

ASSEMBLYWOMAN KIRKPATRICK:

Currently, some State statutes refer to leases already in place. Our Legal Division advised that anything currently in place would stay.

CHAIR HARDY:

We will have our legal counsel take a look at that before we process the bill.

ASSEMBLYWOMAN KIRKPATRICK:

Mr. Robison requested the record reflect that we have worked with Mesquite, and they currently have 7,700 acres of land from the Bureau of Land Management (BLM). There is a section that allows them to work with the master plan, so they have an interlocal agreement with the developer.

CHAIR HARDY:

Mr. Robison will speak with Ms. Guinasso to make sure the language is clear and correct in the bill.

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PAMELA B. WILCOX (Administrator and State Land Registrar, Division of State Lands, State Department of Conservation and Natural Resources):
Somebody has to pay for two appraisals which we do not currently handle. The record should show this may result in some land transactions becoming economically infeasible.

CHAIR HARDY:

We have to be sensitive to that in some of our rural areas. I fully expect if that becomes the case, when the report comes back in two years, this will be outlined so we will have the opportunity to address it at that time.

Ms. WILCOX:

The State Land Registrar has three statutes relating to leases which specifically outline how those lease fees are set, and they do not relate to appraised value. I assume those statutes would still stand. I will provide information to Ms. Guinasso.

CHAIR HARDY:

Ms. Guinasso will review your information and have an answer for the Committee on Friday. I extend my appreciation to everyone involved with A.B. 312. This is the way the process should work.

SENATOR LEE:

In going over this legislation, I have a question on exchanges. Referring to [Exhibit T](#), page 5, section 4, line 21, we kept exchange in the bill, but have excluded exchanges everywhere else. Exchange property is a procedure that sometimes takes place. Does this mean there will be no more exchange property?

ASSEMBLYMAN SIBLEY:

That is correct. We are deleting exchanges as a disposal method for surplus governmental property. The main allowance for exchanges is from one governmental entity to another governmental entity. Under redevelopment or economic development, exchanges are also permitted. They have to do their two appraisals off the rotating list of appraisers. The BLM disposes property by auction. They have not used exchanges for years. Exchange language should not be anywhere in this document.

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SENATOR LEE:

Perhaps Ms. Guinasso could do an exchange search, and eliminate the exchange on line 21.

CHAIR HARDY:

I will ask Mr. Stewart and Ms. Guinasso to put together a clean mock-up of A.B. 312 in preparation for our meeting on Friday. The meeting will be held immediately following adjournment of the Senate Floor meeting. Assembly Bill 312 will be our first order of business.

Are there any further recommendations, suggestions or business for this Committee? As there is no further business, this meeting is adjourned at 5:41 p.m.

RESPECTFULLY SUBMITTED:

Catherine T. Barstad,
Committee Secretary

APPROVED BY:

Senator Warren B. Hardy, Chair

DATE: _____