

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

**Seventy-sixth Session
March 2, 2011**

The Senate Committee on Government Affairs was called to order by Chair John J. Lee at 8:02 a.m. on Wednesday, March 2, 2011, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 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 in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator John J. Lee, Chair
Senator Mark A. Manendo, Vice Chair
Senator Michael A. Schneider
Senator Joseph (Joe) P. Hardy
Senator James A. Settelmeyer

STAFF MEMBERS PRESENT:

Michael Stewart, Policy Analyst
Heidi Chlarson, Counsel
Cynthia Ross, Committee Secretary

OTHERS PRESENT:

Ted J. Olivas, Director, Administrative Services, City of Las Vegas
Mark R. Vincent, Chief Financial Officer, City of Las Vegas
George Ross, Las Vegas Chamber of Commerce
Randi Thompson, Nevada State Director, National Federation of Independent Business
Nicole J. Lamboley, Chief Deputy, Office of the Secretary of State
Wes Henderson, Deputy Director, Nevada Association of Counties
Bru Ethridge, Notary Division Administrator, Office of the Secretary of State
James D. Earl, Executive Director, Technological Crime Advisory Board
Renny Ashleman, City of Henderson
Steven D. Garland, Colonel, Commander: 99th Air Base Wing, Nellis Air Force Base, Creech Air Force Base, Nevada Test and Training Range

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Dennis Nolan, Ex-Senator
Bjorn Selinder, Churchill County
Dan Musgrove, City of North Las Vegas
Harvey Whittemore, Wingfield Nevada Group; Coyote Springs Investment LLC
Jennifer Lazovich, Pardee Homes
Jenny Reese, Nevada Association of Realtors

CHAIR LEE:

We will open the meeting with Senate Bill (S.B.) 110.

[SENATE BILL 110](#): Requires the establishment of a centralized licensing office for business licenses in each county in this State. (BDR 20-820)

I chaired the Interim Study on Powers Delegated to Local Governments, and the streamlining of business licensing was often a topic. In response, I created S.B. 110 as a placeholder to begin the process of streamlining business licensing. The idea is to have a one-stop shop. This will not include privileged or regulated business licenses, such as gaming and liquor licenses.

The Committee reviewed issues such as the alignment of licensing and zoning codes, and I asked the local governments in Clark County to develop a practical first step. This bill is pilot legislation for Clark County. It will create a process for business owners, under *Nevada Revised Statute* (NRS) 624, to obtain licenses for conducting business in all four Clark County jurisdictions in one business license office. This can impact 10,000 licensees. This legislation is the first step in helping local governments streamline other general licensing categories. Local governments will have one year to enact their ordinances upon this bill's passage and approval.

TED J. OLIVAS (Director, Administrative Services, City of Las Vegas):

The local governments of Clark County and the Cities of Henderson, Las Vegas and North Las Vegas came together and prepared an amendment ([Exhibit C](#)). We did not include Boulder City and the City of Mesquite because they are outside the Las Vegas Valley, and they chose not to be involved.

There is a one-page handout summarizing the bill ([Exhibit D](#)). The licensing process is a concern. We were unable to finalize recommendations during ACIR, so we are here today with S.B. 110. The Senate Bill 110 Summary Sheet, [Exhibit D](#), highlights our legislation.

We are looking at one-stop shopping. We want the business owner to come into an office and get a license for multiple jurisdictions. To accomplish this, we first had to identify what group of licenses lend themselves to having one location within the Valley, and where this group works throughout the Valley. Contractors fit that bill. They have one location, and they work throughout the Valley on a daily basis. Contractors can go to their jurisdictions and get licenses for all jurisdictions they are working in rather than to have to go to each jurisdiction.

The summary sheet, [Exhibit D](#), highlights the licenses pursuant to NRS 624 in regard to home jurisdiction. A contractor located in the City of Las Vegas would come to the City of Las Vegas for licensing, and the City would look at related issues such as zoning. The City would then ask the contractor if he was proposing business in other jurisdictions, and if yes, all licenses would be issued and their respective fees collected. We would then distribute the fee money to the jurisdictions.

Senate Bill 110 is effective upon passage and approval. We have one year to enact the required ordinances, but we will implement this bill immediately. We are working diligently to get organized and to get the needed accounting systems in place. Senate Bill 110 will start the streamlining process with contractor licensing and—as we progress—continue the process to other licensing.

MARK R. VINCENT (Chief Financial Officer, City of Las Vegas):

Our amendment, [Exhibit C](#), section 1 amends NRS 244 to specify that the county will enter into an interlocal agreement to establish process and procedures. This is for counties whose population is 400,000 to come to agreement with cities that are 50,000. It does not preclude smaller cities from participation.

We are trying to establish by the interlocal agreement a licensing process for contractors licensed under NRS chapter 624. There is concern that contractors licensed under NRS 624 are not located in the City. We want to ensure contractors a multijurisdictional license, and that is found in section 3, subsection 1, paragraph (b). Section 3, subsection 1, paragraphs (c) and (d) fix the processing fee and the license fee. There is a technical correction in paragraph (e). It indicates the primary licensing jurisdiction will collect fees described in subsection (b) and subsection (c), and it should say as described in

paragraph (c) and paragraph (d). Section 3, subsection 1, paragraph (f) says the primary licensing authority will maintain the records. Section 3, subsection 2 says the governing body of each incorporated city—whose population is 50,000 or more—shall enact an ordinance within one year of passage and approval of this bill, and that ordinance will define the changes that will affect the processing fee. It does require the applicant to be responsible for complying with other zoning and permitting requirements in that primary jurisdiction. Section 3, subsection 2, paragraph (d) says the applicants will be subject to all respective regulations in each city and county.

Section 2 amends NRS 244.335. If we have 624 businesses with fixed locations in multiple cities, they will have to get separate licenses because of land use zoning and other permitting issues. This is why we amended section 2, subsection 3, and we added section 2, subsection 3, paragraph (a).

Section 3, addressing NRS 268, is a mirror image of the county's provisions as they would apply to the city. Again, the cities would have to enact their ordinances one year from adoption.

Section 4 makes clear that if contractors have multiple locations and multiple jurisdictions, they are not eligible for this license.

Section 5 allows county townships to participate, and section 6 sets the one-year clock for jurisdictions to enact their ordinances.

SENATOR SETTELMAYER:

This bill is for only combined business licenses for contractors.

MR. VINCENT:

Yes, this only affects 624 licenses. The concept of this licensing process has been worked on by licensing groups resulting from the Southern Nevada Regional Planning Coalition through S.B. No. 436 of the 70th Session consolidation issues. Discussion addressed realignment. Only 70 percent of our licensing codes are in alignment between jurisdictions. There are economic development reasons, or special regulation reasons, why they do not match. It is also because of zoning. There is concern about system integration. If we have a contractor who came to Henderson and received a multijurisdictional license and then went to the City of Las Vegas to pull the building permits, how quickly would Las Vegas know they had a multijurisdictional license? How do we

integrate to establish a streamlined process? We want to prevent people from standing in line at the permitting office to pull a construction permit when no one knows they are licensed.

This bill—allowing contractors located in one jurisdiction the right to multijurisdictional licenses—will prove the concept can successfully work. The structure of the pilot program can later be expanded to other vendors and businesses.

SENATOR HARDY:

This can be characterized as a business portal for contractors.

MR. VINCENT:

Yes.

CHAIR LEE:

I wanted this bill to affect general licensing, but we selected contractors because we need to ease into the process, and contractors make up a group of 10,000 people. Once this group's process is thoroughly established, other groups can be considered for using this streamlined process. The City of Las Vegas is committed to reaching all types of businesses, but it needs to be done one step at a time.

The ACIR recommended this licensing process, and we are working toward home rule.

GEORGE ROSS (Las Vegas Chamber of Commerce):

We support Senate Bill 110. We supported the bill before the amendment because hitting the broad business community was a positive step. We understand the practical factors of working on this concept. New procedures will be implemented and jurisdictions will have their own ideals and objectives. We support this legislation as an admirable way to facilitate business. We urge Clark County jurisdictions to accelerate their ability in bringing in more types of business licensing.

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RANDI THOMPSON (Nevada State Director, National Federation of Independent Business):

We support the concept of Senate Bill 110. My concern is the bill states counties over 400,000, and the recent census shows Washoe County over 400,000. The Legislative Counsel Bureau might need to adjust populations for legislative intent. We support one-stop shopping. I encourage this concept be adopted into the business portal by the Office of the Secretary of State (SOS). This would be beneficial for members who have to go to the City of Las Vegas and then to the county for multiple licenses. Making business easier to conduct in the State is beneficial. I question the intent to capture Washoe County, but I also support one-stop shopping in Washoe County.

NICOLE J. LAMBOLEY (Chief Deputy, Office of the Secretary of State):

We support S.B. 110. The Office of the Secretary of State has a business portal, and once we launch it later this spring, the utility of the portal will allow more entities and organizations to come on board sooner than expected. We look forward to working with the local jurisdictions to incorporate their needs, including inserting business licenses into the portal.

CHAIR LEE:

The SOS has taken a lead on the process and has provided us a foundation. Seeing no other business, the hearing on S.B. 110 is closed.

Before we move into the work session, I want to address S.B. 56; it is not found on today's agenda. It was heard in Committee on February 23.

SENATE BILL 56: Revises provisions governing the entities required to use the services and equipment of the Department of Information Technology.
(BDR 19-426)

Senate Bill 56 revised provisions governing the entities required to use the services and equipment of the Department of Information Technology (DoIT) for the purpose of security. The bill was intended to ensure that data collected by the State would be collected, stored and transmitted according to State security policy and regulations. After hearing and reviewing the bill, it was decided the issue of State security is the responsibility of the Governor. The Governor is responsible for State agencies. Senate Bill 56 has merit. Due to the complexity of the bill, and because the agencies have their own needs, I recommend the Committee send a letter to the Governor recommending he work with DoIT and

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others on this important issue. May I ask this Committee for approval of this letter? The letter has been approved, and it will be sent to the Governor.

We will move into the work session. Our first bill is Senate Bill 7.

SENATE BILL 7: Revises provisions governing the adoption of emergency regulations. (BDR 18-13)

MICHAEL STEWART (Policy Analyst):

Senate Bill 7 is sponsored by Senator Wiener (Exhibit E). It requires a State agency, if practicable, to make emergency regulations public the day before they are filed with SOS or heard in an agency hearing. The bill provides that emergency regulations must be made public by providing a copy to a member of the public upon request and making a copy of the emergency regulation available on the agency's Website. There were no amendments.

SENATOR MANENDO MOVED TO DO PASS S.B. 7.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

CHAIR LEE:

Our second bill in work session is S.B. 22.

SENATE BILL 22: Authorizes a board of county commissioners to prescribe certain fees by ordinance. (BDR 20-281)

MR. STEWART:

Senate Bill 22 was brought to this Committee on behalf of the Nevada Association of Counties (Exhibit F). It authorizes a board of county commissioners to adopt an ordinance setting a fee for a service or document that is different from the fee set forth in Nevada law if the board determines that such fees are insufficient to cover the actual costs of providing the service or document. Any fee enacted under these provisions must not exceed the actual cost of the service or document. Counties are authorized to charge certain fees and services throughout NRS, including the recording of documents,

the processing of certified copies and certain services processed by sheriffs and constables. There were no amendments.

SENATOR SETTELMAYER:

I am concerned because of prior testimony from the wedding chapels. A county's fees might get too high in relation to other counties. I would like to see uniformity and a system of checks and balances provided by the Legislature. I am also concerned from prior testimony by the American Civil Liberties Union (ACLU) of Nevada. In this bill, the word "insufficient" causes problems.

SENATOR HARDY:

I share the same concerns. We did not have the cost of governments explained to us, such as how high fees could go or where ceilings could exist. When a county commission decides there are fees insufficient to cover the cost of the provided service, how is that determination made? How do we decide fees are insufficient? If fees are insufficient, then the fees will be raised, but I have not heard of ceilings or parameters. Are the fees tied to the average cost of State government doing it, or could it be the average cost of Esmeralda County or Clark County? It is an open checkbook.

WES HENDERSON (Deputy Director, Nevada Association of Counties):

If a fee was considered insufficient, a department within a county would go to the board of county commissioners and lay out the evidence that the service is costing more than the collected fee. The board of county commissioners would determine two things. First, they would determine if the fee was insufficient to pay for the cost of providing the service. Second, if the fee was found insufficient by the board, the board would decide the fee raise in a regularly scheduled meeting.

CHAIR LEE:

This bill is to give control back to the counties.

SENATOR SETTELMAYER:

I look at an example in my county, Douglas County. We had a building department that handled approximately 100 permits. During the economic boom, we went up to 500 permits. During that time, staff numbers at the building department went up considerably. This last year, they only saw a fraction of permits, but the building department has not reduced in size. Those

departments might state they do not want to shrink and request their fees go up to help support the department.

SENATOR HARDY:

We have an idea if the fees in place are supporting or not supporting. I suspect the jurisdiction has already looked at the fees and said the fees are not sufficient to be fee-based outside of the general fund of the jurisdiction. I do not have a home rule problem, but I do not see parameters in existence that the entities have said this is what we cannot afford because it is fee-based.

MR. HENDERSON:

I do not have that information, and I am not sure if all 17 counties have taken a look into their fee-based services. We can poll the counties and try to get the information for you.

SENATOR HARDY:

I do not oppose the concept of home rule, but there needs to be parameters.

CHAIR LEE:

We need to do more work on S.B. 22. We will now move into S.B. 77.

[SENATE BILL 77](#): Revises provisions relating to notaries public. (BDR 19-404)

MR. STEWART:

Senate Bill 77 was brought to us by SOS ([Exhibit G](#)). It makes various changes to provisions relating to notaries. It requires an applicant for appointment as a notary public to submit to SOS a complete set of fingerprints and written permission authorizing SOS to forward those prints to the Central Repository for Nevada Records of Criminal History. Any person who submits a notary application containing a substantial and material misstatement or omission of fact would be guilty of a Category C felony under this bill. The bill also requires a notary public to keep the stamp and notary journal in a secure and locked location. Senate Bill 77 prohibits a notary public from performing a notarial act on a document that is not completely filled out and signed and provides that a notary public and his or her employer may be assessed a civil penalty of up to \$2,000 for certain crimes and misconduct relating to notaries. There were several amendments, [Exhibit G](#).

The first amendment was proposed by Rebecca Gasca representing ACLU of Nevada and was provided by SOS. It adds the word “knowingly” for violations resulting in a Category C felony.

The second amendment addresses a concern about the notary stamp and the journal and whether they should be in a locked location. The proposal is to remove the words “and locked” and let the remaining language state: “A notary public shall keep his or her stamp in a secure location during any period in which the notary public is not using the stamp to perform a notarial act.” The same would apply to a notary public’s journal.

The third amendment, proposed by SOS, addresses the issue of a notary public repeatedly notarizing coworkers’ signatures on business-related documents in the work environment. This proposal would allow the notary to identify the signer of documents once and require him or her to sign the journal once every six months. The proposed language will help businesses who do frequent notarization of documents for their coworkers in a business setting.

CHAIR LEE:

I would like to hear from SOS regarding the amendments in [Exhibit G](#).

BRU ETHRIDGE (Notary Division Administrator, Office of the Secretary of State):
The SOS supports the amendments.

SENATOR SETTELMAYER:

It says the fee is established by regulation not to exceed the cost of the Central Repository. Why is this a two-thirds majority bill if it is a bill seeking to cover the cost? By normal rules, if it only covers the cost, it is not a two-thirds bill.

HEIDI CHLARSON (Counsel):

It was the opinion of the Legislative Counsel Bureau when the Legal Division was drafting this bill that the two-thirds majority vote was required, but I will obtain further clarification.

SENATOR SETTELMAYER:

My opinion is that the two-thirds could be removed from the bill, and it would make the bill easier to pass.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 77 WITH THE THREE AMENDMENTS.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

CHAIR LEE:

The next bill on our work session is Senate Bill 82.

[SENATE BILL 82](#): Makes various changes relating to governmental information systems. (BDR 19-267)

MR. STEWART:

Senate Bill 82 requires the Chief of the Office of Information Security of the Department of Information Technology to investigate and resolve any security breach or unauthorized acquisition of computerized data that materially compromises the security, confidentiality or integrity of an information system of a State agency ([Exhibit H](#)). The bill also adjusts the membership of the Information Technology Advisory Board and clarifies that the department may provide services to local government agencies if the provision of those services would result in reduced costs to the State for equipment and services.

The bill requires users of the Department services to report noncompliance and unauthorized access of their information systems or applications to the Chief of the Office of Information Security within 12 hours after discovery.

The bill also authorizes the Chief of the Purchasing Division to publish advertisements for bids or proposals for commodities or services on the Division's Website rather than in a newspaper. There are three amendments, [Exhibit H](#).

Two amendments were provided by the Department of Information Technology. The first makes an adjustment to the Information Technology Board to remove the Superintendent of Public Instruction of the Department of Education from the Board. It will also remove new language that would have added the Administrator of the State Library and Archives to the Board.

The second amendment by DoIT would narrow the scope of the notification required to the State Chief of DoIT of noncompliance of regulations and standards. The noncompliance is identified by the Department as relating to security. The amendment would also increase the notification time from 12 hours to 24 hours after discovery of the noncompliance.

The third amendment [Exhibit H](#) was proposed by Chair Lee and Barry Smith, Director of the Nevada Press Association. It would amend section 19 to specify that advertisements for bids and proposals for commodities or services of the Purchasing Division be publicized in both a newspaper of general circulation and on the Division's Website. The amendment would also extend this requirement for newspaper and Internet publication to those provisions addressing advertisements for local government purchasing and public works.

JAMES D. EARL (Executive Director, Technological Crime Advisory Board):
We support S.B. 82 and the amendments.

SENATOR SCHNEIDER:

Can a newspaper of circulation be a tabloid or a weekly paper such as *CityLife*? They are free and are found throughout town.

MR. EARL:

I cannot provide a definitive answer but in my discussion with the Purchasing Division, the language has been interpreted as an issue of geographic reach as opposed to numbers or subscriptions.

SENATOR SCHNEIDER:

Newspapers are going out of business. Other publications are targeting different demographics such as younger people. Younger people are not reading traditional newspapers, but they will pick up the other publications such as *CityLife*. I understand the language has been in statute, but times are changing. I want to know if these publications can be available.

CHAIR LEE:

Times are changing, and fewer people are reading newspapers. This is why we added the Internet.

MS. CHLARSON:

The language in statute is typical language used throughout NRS when there is a requirement to publish in a newspaper. It is interpreted that the newspaper must be published within the county and have general circulation within the county. If there is no newspaper of general circulation in the county, most of the statutes require the advertisement be published in a qualified newspaper printed in the State that has a general circulation in the county.

SENATOR SETTELMAYER:

The idea of newspapers of general circulation deals with the user. It comes to mean if the newspaper has the ability to be sent to the population of an entire county or has the ability to be disseminated within the entire county. Times are changing, and economic issues are affecting the counties. This bill—without the amendment—could save the counties money.

SENATOR HARDY:

The second DoIT amendment [Exhibit H](#), that would narrow the scope of the notification required to the State Chief Information Security Officer, is of concern. What might happen if we try to notify the Chief and he is not available? We need a mechanism to identify the breach immediately.

MR. EARL:

The Chief designates a person to fulfill his duties in his absence. The office has from six to eight sophisticated security individuals who work together, so this is not the case of a one-person office. The Chief has received calls regarding State security posture while traveling, and the security individuals in the office get to work. There is no need for a designated chain of command, as the Chief's office functions well in the case of his absence. Several individuals are called when a serious breach occurs, including the State Chief Information Security Officer and the Director of the Department of Information Technology.

SENATOR HARDY:

We have narrowed the scope of the notification to the Chief, but we still might notify other individuals.

MR. EARL:

Correct. There is a standard for when the Chief has limited ability to remain in contact. It is his duty to delegate his responsibilities to another in his absence.

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SENATOR HARDY:

I support this legislation along with having the comments made by Mr. Earl on the record.

SENATOR SETTELMAYER:

Existing law requires that information be published in newspapers. The law without the amendment would allow individuals not to publish in the newspaper but would allow them to publish on the Internet. The amendment reads to say that individuals need to publish in newspapers, and it adds they must also publish on the Internet. I want to save money for the counties. Another way to amend this bill is to allow counties to make the decision.

CHAIR LEE:

Senator Hardy, can you restate your thoughts on S.B. 82?

SENATOR HARDY:

I prefer that the understanding be in writing. These issues can go to court. I do not like to leave a loophole open for someone to say the wrong person was notified.

CHAIR LEE:

We can change the language to the nature of "notify the Office of Information Security." Would this solve your problem?

SENATOR HARDY:

Yes.

MR. EARL:

We have no problems with the language as amended to read "notify the Office of Information Security," for example, as opposed to notifying the Chief.

MR. OLIVAS:

The discussion addressing the amendment, [Exhibit H](#), in section 19 to advertise in both the newspaper and on the Internet was to potentially do both. I do not know if all jurisdictions have the capability. It was discussed that an individual had to advertise in the newspaper, but an individual may also advertise on the Internet. I do not know if the amendment intended to do both.

MR. EARL:

The language in S.B. 82 and the amendments in [Exhibit H](#) were specifically for notice requirements going to the Purchasing Division rather than to individual counties. There was discussion as to if there were cost savings and if so, could they be shared by the counties. A separate statute may be applicable to counties and cities regarding the notices they give under their contracting procedures. Senate Bill 82 and the amendments do not affect existing requirements of newspaper notification of counties and cities on procurement issues. If the statute reads to require counties and cities to publish in newspapers, it would be open for them to additionally publish on their Internet site if appropriate.

CHAIR LEE:

This bill and the amendments are affecting local governments.

MR. OLIVAS:

The amendment, "In addition, extend this requirement" to advertise in both the newspaper and the Internet, "to those provisions addressing the advertisements for local government purchasing and public works." This is NRS 332 and 338.

MS. CHLARSON:

Mr. Olivas is correct. Senate Bill 82 in its original form only applied to the State Purchasing Department in section 19. The proposed amendment does add the local government purchasing and public works. It is the decision of the Committee to make the policy decision whether it wants the bills to apply to the counties.

SENATOR HARDY:

Having the advertisements publicized in newspapers and on the Internet tends to be problematic in some jurisdictions. Can we change the language to "if applicable"?

MS. CHLARSON:

If the intent of the Committee is to require both publication in a newspaper and on the Internet, we can add language to say "the requirement to publish on the Internet only applies if the local government has a Website."

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 82.

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SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR LEE:
We will now hear S.B. 85.

[SENATE BILL 85](#): Revises provisions governing land use decisions. (BDR 22-99)

MR. STEWART:
Senate Bill 85 clarifies which decisions of the planning commission, board of adjustment, hearing examiner or governing body may be appealed to the district court ([Exhibit I](#)). The bill adds "governmental entity" to the definition of "persons." For the purpose of judicial review within Clark County, the bill revises the definition of "aggrieved" to specifically exclude a person who has not appeared before the appropriate bodies and stated grounds for his appeal or whose claims are based on increased or new competition. There is one amendment, [Exhibit I](#).

The amendment proposed by Senator Settelmeyer amends section 1, subsection 7, to delete the addition of "governmental entity" to the definition of "person."

SENATOR SETTELMAYER:
I proposed the amendment in [Exhibit I](#) because I represent multiple counties, and one county may decide to object to building a Wal-Mart next to the county line which could potentially steal sales tax revenue. It could allow the mosquito abatement district in Douglas County to have the ability to protest something in Clark County. The language is too open-ended, and I want to delete the language of "governmental entity."

CHAIR LEE:
I read this bill to mean for counties with populations over 400,000. Is this correct?

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MS. CHLARSON:

Yes, in part. The changes in section 1, subsection 5 apply to Clark County, but the definition of "person" in section 1, subsection 7 would apply to the entire bill, so it is applicable to all counties.

RENNY ASHLEMAN (City of Henderson):

We support the bill with the amendment.

SENATOR MANENDO:

There may be more to this bill than meets the eye, and I need more time in order to support it.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 85.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR MANENDO VOTED NO.)

CHAIR LEE:

The next bill in work session is S.B. 92.

[SENATE BILL 92](#): Authorizes redevelopment agencies to expend money to improve schools. (BDR 22-579)

MR. STEWART:

This bill was brought to this Committee by Senator Hardy ([Exhibit J](#)). It expands the permissible purposes for which money may be expended from a redevelopment revolving fund to include grants from the redevelopment agency for the improvement of schools. The bill also requires a redeveloping agency to file a report with its governing agency and with the Director of the Legislative Counsel Bureau and sets forth the required contents of the report. There are no amendments. An identical measure, A.B. No. 397 of the 75th Session, was approved by this Committee in 2009.

SENATOR HARDY MOVED TO DO PASS S.B. 92.

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SENATOR MANENDO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR LEE:

We will continue with our work session with S.B. 109.

SENATE BILL 109: Revises provisions relating to local financial administration.
(BDR 31-825)

MR. STEWART:

Senate Bill 109 was brought to us by Senator Parks (Exhibit K). The bill excludes proceeds from the interstate sale of natural gas to a wholesale provider of electric energy from the definition of "revenue" for the purposes of cities and counties imposing the business license fee on public utilities.

Testimony indicated that a change in the definition of "revenue" would eliminate the collection of a franchise fee by a city or county from such wholesale providers. Testimony was received in support and in opposition of the measure. There are no amendments.

CHAIR LEE:

Is there any discussion on this bill?

SENATOR HARDY:

I like it.

SENATOR HARDY MOVED TO DO PASS S.B. 109.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR LEE:

Senate Bill 134 is next.

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SENATE BILL 134: Amends the Charter of the City of Elko to change the timing of the general municipal election. (BDR S-543)

MR. STEWART:

Senate Bill 134 was brought forth by Senator Dean A. Rhoads ([Exhibit L](#)). It amends the Charter of the City of Elko to change the date of the general municipal election to coincide with the date of the State general elections held in November of each even-numbered year. The City Charters of Carlin and Wells were similarly amended in 2007. There are no amendments.

SENATOR SETTELMAYER:

A city should have the ability to make its own decision when to hold elections, and this bill only applies to Elko. Some cities like having an off-year election because it gives special focus on the races. I support this legislation for keeping the timing of the general municipal election specific to the City of Elko.

SENATOR HARDY:

I also favor the concept. Is this bill amendable by other cities to attach their use to it?

CHAIR LEE:

These are local issues, and individual municipalities should go to their elected people, have a charter committee, do the process and come to the Legislature.

SENATOR SETTELMAYER MOVED TO DO PASS S.B. 134.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR LEE:

The last bill in our work session is S.B. 137.

SENATE BILL 137: Revises provisions relating to the construction of bus turnouts at certain locations. (BDR 22-917)

MR. STEWART:

Senate Bill 137 requires the Regional Transportation Commission (RTC) in Clark County to designate, on or before December 31, 15 additional bus stops at which bus turnouts must be constructed by December 31, 2014 ([Exhibit M](#)). It also requires the RTC to submit a report to the 2013 Nevada Legislature regarding the designation and construction of these bus turnouts. There is one amendment.

The amendment would establish a technical advisory committee that shall commence meetings. It will also include site visits as soon as practicable after the bus locations have been designated but prior to construction plans for the site. The site visits would include the utility companies and franchise holders whose facilities may be impacted by the construction of the bus turnout. The amendment states that the technical advisory committee shall work in a cooperative manner with the affected utilities and franchise holders to minimize cost for the placement or relocation of the affected utility and franchise holder's infrastructure. This bill is follow-up legislation from S.B. No. 173 of the 75th Session, which required the designation of bus turnouts.

CHAIR LEE:

Local jurisdictions and franchise holders needed to have the opportunity to sit down and discuss the location of the bus turnouts to minimize their costs. Jacob Snow, General Manager of the Regional Transportation Commission of Southern Nevada, offered to put a technical advisory committee together that can include site visits. I envision that bus turnout locations will be identified, the Legislature will be notified of the locations and the technical advisory committee will allow for parties to come together and work out the best solutions.

SENATOR SETTELMAYER:

The amendment solves my concerns.

SENATOR SCHNEIDER:

I support the amendment. In my district, especially on Spring Mountain Road, we need turnouts. The buses at the older Strip centers stop in traffic lanes, blocking traffic. I would hope the Chair would notify RTC that Spring Mountain Road needs consideration.

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CHAIR LEE:

I will take your comments to the chair of the RTC to ensure your district gets looked at in the next round.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 137.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR LEE:

We have finished the work session, and we will open the hearing on S.B. 93. We heard this bill last Session. It was passed in the Senate, but it was never voted upon in the Assembly. Ex-Senator Nolan, a military advocate, and Colonel Garland of Nellis Air Force Base (AFB), Creech AFB, Tonopah Test Range (TTR) and the Nevada Test and Training (NTTR) Range, have asked to bring this legislation forward. Senator Hardy has also helped on the bill as it is difficult for the Colonel to appear due to his responsibilities.

SENATE BILL 93: Makes various changes relating to military installations. (BDR 22-39)

STEVEN D. GARLAND, COLONEL (Commander: 99th Air Base Wing, Nellis Air Force Base, Creech Air Force Base, Nevada Test and Training Range):

Senate Bill 93 will allow compatible growth in Nevada and will increase awareness of military activities in the State. We are committed to working cooperatively with local developers and government officials to ensure the public and developers are aware of our activities and to assist developers in taking our activities into account when planning.

As the installation Commander, I am responsible for 2.9 million acres and 12,000 square nautical miles of airspace. It represents 40 percent of all the land in the United States Air Force and 10 percent of all the land in the Department of Defense (DOD). Our No. 1 goal is transparency and working toward compatible development. We want the missions of DOD to align with the people of Nevada.

When people hear of Base Realignment and Closure (BRAC), they often focus on closure, not on realignment. Nellis AFB is growing larger, and we are generating more missions. I am addressing volume, not land area size. Nellis AFB has three airfields, two ranges and ten other sites, and 75 percent of the live heavyweight ordnance gets dropped uprange in the heart of our envelope.

We also have Creech AFB ([Exhibit N](#)). That installation has the 432nd Wing and the 432nd Air Expeditionary Wing, where we focus on training for our Predator, Reaper and Sentinel Operations for peacetime and combat. This continual mission is always on the rise.

The Nevada Test and Training Range represents 70 years of dedicated investment on the part of the United States of America for putting these telemetry and threat systems on tap to generate advanced tactics and training for our war fighters and generating new combat capability for operational testing. It is a national treasure. We also bring to Nevada \$5.1 billion of economic impact. There are 36,000 retirees and 13,000 airmen. As missions grow and realignment occurs, we want to ensure people know what we are doing.

The presented slide, [Exhibit N](#), shows five hours of Federal Aviation Administration civil air traffic in the United States, and the yellow arrow points to NTTR. It is evident there is no place else for us to fly and do tactics development and training and generate combat capability. The heart of this bill is to disclose military activities to cities, counties and the public.

This is a transparency bill. The bill's intent is to disclose our military activities to land use authorities, future property owners and local developers to promote early engagement. Developers often do not know where we are in relationship to their projects. An example: three weeks ago, we had an A-10 Thunderbolt II take off, and the pilot lost an engine. He needed to jettison his munitions because he would have crashed his plane based on the plane's gross weight. He followed procedure; he flew to our designated jettison area and jettisoned two 500-pound general purpose bombs. One went off high order and surprised everyone in the area because there was a lack of awareness that we are there. This bill will provide for this awareness.

We work primarily with Clark County and the City of North Las Vegas, but we receive tremendous support from leadership across Nevada. This bill provides an opportunity to strengthen our efforts and partnerships in Nevada.

SENATOR SETTELMAYER:

Will it be the responsibility of the military to give the information to the county or is it the responsibility of the county to ask the military?

COLONEL GARLAND:

The military will offer the counties a military activities plan they can incorporate into their master plans. If there is no plan provided, there is no requirement to incorporate anything.

CHAIR LEE:

There is not a definition of a military activities plan. Is this a new concept?

COLONEL GARLAND:

Yes.

CHAIR LEE:

Section 8, subsection 1 says,

Before a purchaser of property that is located in an area covered by a military activities plan, as set forth in paragraph (h) of subsection 1 of NRS 278.160, signs a sales agreement, the seller shall, by separate written document, disclose to the purchaser information concerning the military activities plan.

Who provides the designated form which discloses information concerning the military activities plan?

DENNIS NOLAN (EX-SENATOR):

I have accepted an appointment as the Honorary Commander to the 6th Combat Training Squadron as part of Nellis AFB support team. My purpose is to finish work we started last Session on this bill.

The Real Estate Division is responsible for creating documents and approving documents to be signed in escrow. This document would be included in the list. The bill can be amended to include directing the Division to create the document, but the responsibility will fall on the Division without an amendment

because it would be a statutory mandate. It would be included on commercial and residential land sales in the title documents that a title company would have notarized and signed by the buyers and sellers.

CHAIR LEE:

The United States Air Force encompasses many counties. Would this be a State document?

SENATOR NOLAN:

It would be a universal document created by the Real Estate Division and signed at closing.

SENATOR SETTELMAYER:

We have a right-to-farm law in Douglas County. It is recorded on the deed, and persons who buy land must sign off on the deed when recording it. It shows they understand they are moving into an agricultural community. It puts them on notice. This document concerning military activities plans is similar, so why not apply it in the same manner? People within a county have to sign off on the deed that they understand there is military activity in the county. The system of using a universal document created by the Real Estate Division seems burdensome on the amount of paperwork.

COLONEL GARLAND:

We tie across four counties. I am not sure what would make more sense from a mechanization standpoint.

SENATOR NOLAN:

Language drafted last Session has been adopted by a number of states. Our language came from Arizona as it was passed in Arizona. When we initially introduced the bill, there were concerns by a number of development groups and municipalities with the original language. All interested parties came together and amended the language. In the interest of avoiding the same types of discussion, we reintroduced the bill as it was negotiated last Session. We are open to a process that makes more sense and is easier.

CHAIR LEE:

We could amend this section to establish by regulation the form required in section 8 by the Real Estate Division.

MS. CHLARSON:

I am addressing the question regarding the form of the disclosure required pursuant to section 8 of this bill. There is a requirement in statute that the Real Estate Division adopt regulations prescribing the format and contents of a form for disclosing the condition of residential property offered for sale. We can work on an amendment that would require the Real Estate Division to also develop the form of the disclosure required pursuant to section 8.

SENATOR SCHNEIDER:

It was mentioned that \$5.1 billion comes into Clark County because of your installations.

COLONEL GARLAND:

The Department of Defense has a standard calculation to determine the economic impact of the military activity in a given area. It is a combination of utilities, people who work there and purchased supplies aggregated together. It also represents the job growth the DOD brings into a given area. The calculation is \$5.1 billion for a year's worth of Nellis AFB, Creech AFB and NTTR operations.

SENATOR SCHNEIDER:

I find that economic impact statistic to be high. Las Vegas and Clark County provide a lot for the military. Airmen and other servicemen rotate through. We provide schools with facilities and teachers, and the servicemen do not pay taxes. We provide and maintain roads to the main gate and those taxes are also not paid. There are nightclubs and Burger Kings on the bases, so money does not come into the County tax base. Jet airplanes are not purchased in Nevada and parts are not purchased in Nevada. I question if the \$5.1 billion impact is there when considering the amount of money Clark County pays to provide for your installations and to ensure your installations are manned in respect to providing decent schools and other county services. I am wary of the economic impact on us as we move forward. In previous years, it was different. I understand Nellis AFB is the largest air base in the world. Is that correct?

COLONEL GARLAND:

It is close.

SENATOR SCHNEIDER:

Nellis AFB will continue to grow. There is no other airspace in the Country where military planes can fly. I understand we need to do our part, and we have been doing our part for 70 years. Nellis AFB—once on desolate land—is in the middle of a city. Maybe in the future, jets should fly out of Creech AFB instead of Nellis AFB, and Nellis AFB becomes a different facility. I would challenge the generals in Washington, D.C., regarding their calculated \$5.1 billion economic impact. The military does not even pay for the land they fly over in Nevada.

I also question Nellis AFB's support of renewable energy for Nevada. I know the air base has been reluctant to discuss transmission lines going through the air range because of the height of those lines. They are also reluctant to discuss windmills for energy purposes. There is a solar facility next to the base, but placing solar panels surrounding the range would be optimal. The military has been reluctant to allow that because of potential glare off the panels. How is the military participating in the needs of our State?

Does the military have a flight map? There are thousand of flights out of the Naval Air Station (NAS) North Island near San Diego, California. Planes such as F-16s carrying missiles fly over beaches filled with people, the Historic Hotel Del Coronado, and over 1,000 houses and condos. Planes also practice touchdowns on aircraft carriers right off North Island. What is the military's position with this activity?

In North Las Vegas, Nellis AFB has tried to restrict development a mile each side of Interstate 15 (I-15) because jets fly over the Interstate, but in the area surrounding the NAS North Island, there are no restrictions. If similar restrictions were in place, there would be no development on the Island. Why are the rules different?

This bill, as soon as it is passed, becomes a takings of ground. We will have to disclose jets flying with ordnance over lands in North Las Vegas. We are trying to develop the I-15 corridor. Financing or insurance will not be attainable for buildings, and development will stop in North Las Vegas. I need to disclose I am a limited land partner in North Las Vegas, and I know what is taking place.

COLONEL GARLAND:

The economic impact analysis is a Congressionally directed equation, and it is reported to Congress annually. The pamphlet in my hand lays out—in detail—the impact analysis Nellis AFB originates for Nevada.

Military members are often not from Nevada, and federal Impact Aid is designed to offset the cost for schools. Every single military parent who has a child in a Clark County school provides a federal Impact Aid form. The form goes to the federal government, which provides the same amount of money that would have been provided if a military member was a taxpayer in Clark County. The amount of on-base housing is relatively small, standing at about 15 percent. This is privatized and provides jobs. We converted military housing to privatized housing for Hunt Pinnacle Corporation. The rest of the people at Nellis AFB, Creech AFB and NTTR—all 13,000 airmen and over 86,000 dependents and retirees they represent—live in real estate that is personally owned. They are paying property tax and supporting the counties in which they reside.

Out of 360 projects we are responsible for preserving—encompassing an area out to about 120 nautical miles outside of the 12,000 nautical miles of airspace—we have not said “no” on a project. All of our projects have meant to transparently say that we have concern, we would like to work with you and to ensure what is at the table is compatible for mission growth. In the National Defense Authorization Act that President Barack Obama signed in January, he dictated that the Office of the Secretary of Defense (OSD) would develop a clearinghouse where developers could go, come up with a project idea and have 30 days for the government to come back to say if there is going to be an impact. We do not have this process. The clearinghouse concept has 180 days to be placed into position.

The Deputy Under Secretary of Defense holds the approval authority for renewable energy projects. The Deputy decides if there will be an impact. If an impact is decided, Congress will receive a notification in 30 days. All projects on the books will be run through the clearinghouse in a catch-up mechanism, and projects rolling forward will run through a new OSD level clearinghouse to answer concerns.

I am legally liable to ensure the 6 Wings, 52 tenants and 13,000 airmen at Nellis AFB, Creech AFB, TTA and the NTTR accomplish their missions. Providing

transparency to our missions is a benefit for the communities in Nevada, for developers and for our public partners.

SENATOR HARDY:

I am disclosing I am a U.S. Air Force veteran. When I was active, I would read *Popular Mechanics* about secret briefings that I, having top secret clearance, would later become briefed about. A law that requires a military activities plan can give information to people who can use it nefariously. I am reluctant to have a military activities plan published in our political climate, and I do not want military officials to care about the sensibility they will offend. I want them to do their mission, and their mission is to defend the people of the United States of America. We need to defend our military installations, including Nellis AFB, Creech AFB, TTR, NTTR as well as the Nevada Air National Guard and NAS Fallon and that will step outside the plan. I have trust our United States military acts in our best interest to protect and to serve.

COLONEL GARLAND:

The military activities plan will be a visual representation of existing military activity known because of National Environmental Policy Act actions or other federal processes. We will not release secrets or add new functions. This legislation's intent is to broaden the audience of awareness regarding military activities and usages already federally authorized and regulated.

SENATOR NOLAN:

I cannot address the economic impact the military provides nor can I address the adoption of this bill having a negative impact on the development of municipalities or hinder the ability for developers to seek financial lending. There are military bases across the United States, and businesses continue to sprout around those bases in light of the dangers presented such as fighter planes carrying ordnances.

About a dozen disclosures must take place before a real estate transaction can occur. This ranges from a building having lead paint to disclosing a person was killed in a building.

There are two reasons for this bill. First, people buying land, buildings or residences in a flight path of planes carrying ordnances should be notified. The incident with the pilot jettisoning his weapons on base was handled the correct way. These types of accidents do not occur often, as our military aviation is

considered the safest operation in the world, but the public should be notified of these activities.

The second reason for this legislation is we need to protect our military installations. Ten years ago, a fighter plane lost power over the City of San Diego and crashed into a residential neighborhood. There were immediate calls to end the military operations of that nearby air base. Every time Congress looks at BRAC, every base is considered. States fiercely fight to keep their military installations because they know the positive economic impact they provide. Nellis AFB, alone, provides about 9,000 jobs in Nevada. We cannot jeopardize our bases. They are vitally important to national defense and to the communities in Nevada in which they reside.

BJORN SELINDER (Churchill County):

We support S.B. 93. We have the military installation NAS Fallon. It is a strong economic engine in our community, along with agriculture. The NAS Fallon presence has helped to mollify the economic hardships experienced over the last several years in the State and throughout the Country. We already practice much of what is present in the bill. Our community has a planning partnership with the military and local government. This provides public safety while maintaining military operations.

The bases in southern Nevada will be affected differently because of urbanization. There may need to be changes with this bill to ensure the compatible growth of our military assets will be maintained.

DAN MUSGROVE (City of North Las Vegas):

We support S.B. 93 with a policy change concerning how Nellis AFB has approached this bill. We present an amendment ([Exhibit O](#)). We support the concept. We are partners with the air base, and we see it as a tremendous asset to our community. This legislation will continue to facilitate our strong working relationship.

The bill addressing land use law is where we have a disagreement. A number of sections address what goes into a land use plan. The language in section 2, subsection 1, paragraph (g), subparagraph (1), sub-subparagraph (II) on lines 22 to 25, page 4, says, "The coordination and compatibility of land uses with any military installation in the city, county or region, taking into account the location, purpose and stated mission of the military installation." Following this

would be the appropriate place for the military to expand by adding its language.

The benefit to adding their language to the land use planning would allow developers, local governments and the military to determine what is the most compatible use at an early stage. The master plan level is too late for the military to bring in the military activities plan. The change will provide a better partnership.

We support the notification process in section 8, section 9 and section 10, and we support the final language of the bill discussing any plan already entered into as there are people who do not want to see their investment change.

We are supportive of S.B. 93 with our suggested amendment, [Exhibit O](#).

SENATOR HARDY:

As stated in section 10, you do not oppose the notification as long as it does not apply to those who have been approved for their land use.

MR. MUSGROVE:

Correct.

HARVEY WHITTEMORE (Wingfield Nevada Group; Coyote Springs Investment LLC):
We are owners of the development Coyote Springs Investment LLC. It consists of 43,000 acres located in Clark County and Lincoln County.

Our concern is with section 10. We have an amendment ([Exhibit P](#)) to ensure the transitory language in section 10 makes it clear that development agreements and approvals predating October 1—including any amendments, modifications, extensions or additions to that land use plan—are exempted. We do not oppose operations conducted by the military, and we have been working with Nellis AFB since 1998 on our development. We had conversations in 2002 with Nellis AFB when our development agreement was approved, and we have established agreements with them. We have continued to use the planning process on multiple levels to engage in constructive dialogue to let people know what we are proposing in the counties.

The amendment in section 10 ensures that the transitory language in regard to the application of the bill will not impact the prior approvals entered into as a

contract between the counties and the developer through development agreements. We have those agreements in place with Clark County and Lincoln County. We want to ensure their viability and utility remain in effect.

We have engaged in several conversations with Colonel Garland on a variety of subjects, including renewable energy. The military has been available for us to express our concerns, and the military has expressed its concerns. We want to ensure disclosures are appropriate and based upon the disclosures in place on a perspective basis.

JENNIFER LAZOVICH (Pardee Homes):

We are the master residential developer of Coyote Springs. I echo the remarks made by Mr. Whittemore regarding section 10. We are supportive of amendments in that section. Section 8 specifically talks about the disclosure requirements required if in an area with a military activities plan. We have worked with Nellis AFB in developing our own disclosure statement for Coyote Springs property owners in Clark County. There may need to be adjustments to section 8 to account for specific disclosures already agreed upon between Coyote Springs in Clark County and Nellis AFB.

JENNY REESE (Nevada Association of Realtors):

The realtors have concerns with section 8 which would require sellers to disclose to buyers if they live in a military activities plan.

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CHAIR LEE:

Having no further business, the hearing is closed. The meeting on the Senate Government Affairs is adjourned at 10:09 a.m.

RESPECTFULLY SUBMITTED:

Cynthia Ross,
Committee Secretary

APPROVED BY:

Senator John J. Lee, Chair

DATE: _____

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 110	C	Ted Olivas	Amendment
S.B. 110	D	Ted Olivas	Senate Bill 110 Summary Sheet
S.B. 7	E	Michael Stewart, Policy Analyst	Work Session Document
S.B. 22	F	Michael Stewart, Policy Analyst	Work Session Document
S.B. 77	G	Michael Stewart, Policy Analyst	Work Session Document
S.B. 82	H	Michael Stewart, Policy Analyst	Work Session Document
S.B. 85	I	Michael Stewart, Policy Analyst	Work Session Document
S.B. 92	J	Michael Stewart, Policy Analyst	Work Session Document
S.B. 109	K	Michael Stewart, Policy Analyst	Work Session Document
S.B. 134	L	Michael Stewart, Policy Analyst	Work Session Document
S.B. 137	M	Michael Stewart, Policy Analyst	Work Session Document
S.B. 93	N	Steven D. Garland	Slide Presentation
S.B. 93	O	Dan Musgrove	Amendment
S.B. 93	P	Harvey Whittemore	Amendment