

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

**Eightieth Session  
February 11, 2019**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 1:18 p.m. on Monday, February 11, 2019, in Room 1214 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 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 David R. Parks, Chair  
Senator Melanie Scheible, Vice Chair  
Senator Julia Ratti  
Senator Ben Kieckhefer  
Senator Pete Goicoechea

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Policy Analyst  
Heidi Chlarson, Committee Counsel  
Becky Archer, Committee Secretary

**OTHERS PRESENT:**

William Brewer, Executive Director, Nevada Rural Housing Authority; President,  
Nevada Housing Coalition  
Wendy Wiglesworth  
David Goldwater, Leading Builders of America  
Josh Hicks, Nevada Home Builders Association  
Jamie Rodriguez, Washoe County  
Dylan Shaver, City of Reno  
John Fudenberg, Clark County  
Zachary Kahn, Nevada Student Power  
Dagny Stapleton, National Association of Counties  
Erika Minaberry  
Megan Rockefeller, The Food Bank of Northern Nevada

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Jeff Page, County Manager, Lyon County  
Jenny Reese, Nevada Association of Realtors  
Marlene Lockard, Nevada Women's Lobby  
Jay Kolbet-Clausell  
Jennifer Jeans, Coalition of Legal Services Providers  
Tyson Falk, Nevada State Apartment Association  
Autumn Zemke  
Edwina Knight  
Lupe Guzman  
Sophia Schersei  
Bianca Balderas  
Michael Shohet, Chief Real Estate Officer, Nevada HAND  
Laura Cadot  
Aaron West, Nevada Builders Alliance  
Brian McAnallen, City of North Las Vegas  
Paul McKenzie, Building & Construction Trades Council of Northern Nevada  
Steve Aichroth, Administrator, Housing Division, Department of Business and Industry  
Dena Schmidt, Administrator, Aging and Disability Services Division, Department of Health and Human Services  
Shani Coleman, City of Las Vegas  
Tyre Gray, Las Vegas Metropolitan Chamber  
Vinson Guthreau, Nevada Association of Counties  
Mary Walker, Carson City; Douglas County; Lyon County; Storey County  
Michael Pelham, Nevada Taxpayers Association  
Mike Eifert, Nevada Telecommunications Association  
Randy Brown, AT&T  
Bob Ostrovsky, Cox Communications  
Michael Hillerby, Charter Communications  
Brian Reeder, Verizon  
Helen Foley, T-Mobile  
Randy Robison, CenturyLink  
Yolanda King, County Manager, Clark County

CHAIR PARKS:

I will open the hearing on Senate Bill (S.B.) 103. I will ask Senator Julia Ratti, who served as Chair for the Committee to Study Issues Regarding Affordable Housing, to begin and provide introductory remarks.

**SENATE BILL 103**: Revises provisions relating to development and maintenance of affordable housing. (BDR 22-379)

SENATOR JULIA RATTI (Senatorial District No. 13):

Affordable housing is the concern I heard most from my constituents the last couple of years in northern Nevada. I also reached out to southern Nevada to find that aside from common concerns of education, healthcare and the economy, affordable housing is a concern that keeps Nevadans awake at night.

I will describe how S.B. 103 fits in the overall framework of work completed by the Committee to Study Issues Regarding Affordable Housing. We first decided which specifics to include in the study. Nevadans all across the State are struggling in all areas of housing, including first-time homeownership, the workforce finding an affordable place to rent as well as our most vulnerable who need supportive housing or have low-income levels and cannot find a place to live. The Committee decided to address it all.

There are four areas of problems starting with homeownership.

Nevada lags the national average in homeownership by 5 percent to 10 percent, depending on where you live in the State. The median home price in Clark County is \$265,000; in Washoe County, \$350,000. Housing prices are escalating rapidly. The average price of new listings in Clark County jumps up to \$350,000; Washoe jumps up to \$447,000. This is happening at a time when wages are rising about 3 percent a year. Homeownership is out of reach for over half of Nevadans who cannot afford the median mortgage of \$1,400 per month.

The next area is referred to as the missing middle. We received a report produced by Nevada Hand called *The Housing Affordability Gap in Southern Nevada*. This speaks specifically to the missing middle, referring to individuals who earn between \$35,000 and \$60,000 a year. These individuals are not able to consider homeownership, and they make too much money to be considered for affordable housing programs. They receive no help, but they are struggling to find a place to live. One-fourth of the southern Nevada workforce is in that range. If you are making less than \$45,000 a year, the ability to rent an apartment is increasingly out of reach. Thirty-six percent of Nevadans cannot afford the median rent of \$1,003 a month, assuming you can find an apartment

to rent for that amount. We have over one-third of Nevadans, many of them who work, who are not able to find a place to live.

Affordability is defined as spending no more than one-third of your overall income on housing. There is a significant number of people in the community who are rent-burdened, meaning they are renting a unit, but they are spending 50 percent, 60 percent, upwards of 70 percent of their income on their housing expenses. They do not have money left over to take care of their healthcare needs, enroll their children in extracurricular activities or handle all other expenses individuals or families face. This is the problem we are trying to solve.

There is a significant nexus with the workforce housing issues, the missing middle homeownership issues and economic development. Particularly in northern Nevada, but also across the entire State, economic development is firing on all cylinders, meaning we have done a good job in bringing new jobs to Nevada. The downside is all those new jobs and individuals are raising the cost of housing.

We are starting to see outside companies questioning whether they should relocate to northern Nevada because they are not sure their employees will find a place to live. As quoted in a *Reno Gazette-Journal* article recently, Mike Kazmierski, President and CEO of the Economic Development Authority of Western Nevada, said "There are all kinds of good things happening, but some people are being left behind."

This issue impacts individuals who cannot find housing as well as our ability to continue to bring good jobs to Nevada because companies are starting to opt out as they cannot find places for their employees to live.

Moving to the next and critically important portion of affordable housing, the folks with the lowest income are the most vulnerable in our communities. We use area median income as an indicator. The median income for Nevada is around \$55,000 per year. We have many Nevadans making well below that amount. If you earn 50 percent of area median income, or between \$11 and \$12 per hour, this is described as very low income. There are 39 homes for every 100 needed for that group of folks. This is nowhere near the need. Taking it down to the next level, 30 percent of area median income, we have 15 homes for every 100 needed. This is well below the need. For example, one of my friends is 67 years old and on a fixed income from Social Security of

\$853 per month. He is out in the housing market trying to find a place to live when his total income is \$853 per month. He would fall in the 30 percent of area median income or below.

These individuals are either heavily rent-burdened or making decisions to not take their medication or sleeping on couches in other people's homes. I am thinking of a gentleman, when I was campaigning last Season, who had lost his HUD housing voucher that covered his own apartment costs, so he was sleeping on the couch of his daughter and son-in-law who had two- and three-year-old children. His living space was the couch in their living room. We do not have enough units for those folks who are on the lowest end of the spectrum.

Taking it to the next level are those who may be struggling with a specific challenge, such as a substance abuse addiction, an intellectual disability, a veteran with posttraumatic stress disorder or a young adult who aged out of foster care. They are competing with folks who are the lowest on the economic ladder for those 15 homes out of every 100 that we need.

When talking about supported housing, we are investing a significant amount of State and local resources in substance abuse treatment, mental health and medical care, but if you have lost the stability of housing and you cannot find a place to live, all the investment in those support services gets undercut because you have not met basic housing needs.

The full spectrum of housing issues includes making sure we are leveraging our investments through Medicaid, behavioral health and all the ways we support Nevadans facing challenges—yet we cannot find them a house—from seniors in Washoe County who are homeless purely because they do not have money to rent a unit to our workforce of whom only 36 percent find housing to over half of Nevadans who can no longer consider purchasing a home.

Housing affordability in Nevada is a big issue and an issue we need to address.

In tackling all of the above, the Committee to Study Issues Regarding Affordable Housing was to look at the role of different levels of government in addressing this issue and the role of the private sector. A whole piece of housing is driven by the market and supply and demand. What can we do to support this market to make sure we are able to build the housing needed?

What are the roles of the federal, State and local governments? At the federal level, there are programs such as Section 8 vouchers, which close the gap for our lowest-income Nevadans, but there is not enough. We heard testimony in the Committee that there is a 30-year waiting list to get a Section 8 voucher to help low-income individuals. That avenue has been exhausted. We are using every bit of federal resources available and not getting anywhere near meeting the need.

The federal government also helps with Low-Income Housing Tax Credits that helps us build more units. These are great financing programs.

At the State level, we looked at enhancing financing in order to accelerate building more units. We also looked at giving a balance between landlords and tenants to make sure when people lose their apartment, they have time to establish themselves in another place and how that fits in the supported housing realm. The State has a role in health and human services in making sure we do the supported housing piece.

That left the role of local governments. Local governments are the best situated to make decisions about zoning and land use, reaching the missing middle and using both incentives and fee structures to make sure we are building enough of the products we need in our communities. Senate Bill 103 makes it clear local governments are enabled to do certain things; they have the toolbox they need to be part of the solution to meet affordable housing needs.

The bill started with reviewing fees. Local government has closed enterprise funds for sewer fees, regional road impact fees and impact fees from development. They are all closed systems. *Nevada Revised Statutes* (NRS) restricts local governments from allowing an affordable housing development to either contribute a portion of a sewer fee or a development impact fee to help an affordable housing development get drafted. Senate Bill 103 makes that a possibility for local governments. None of these are mandates, so local government still gets an opportunity to choose what is appropriate for them.

Most of the things related to local government space are highly sensitive to market conditions. Market conditions are important. Market conditions in North Las Vegas versus Winnemucca, Reno or Sparks are often different. A policy may make sense in Reno but may not make sense in Winnemucca or Fernley. For example, the Tiny Homes Village project in Reno, which is

specifically focused on folks with behavioral health issues, might make sense. They might choose to draft a narrow ordinance to help with that kind of a project where they could waive sewer fees or regional road impact fees in those instances. This is enabling legislation to make sure local governments have the full tool kit, if they choose to use it.

The other piece is coming forward in the form of an amendment ([Exhibit C](#)). During the course of the Committee to Study Issues Regarding Affordable Housing, we heard an opinion from our legal counsel that local government had the authority to use other tools such as inclusionary zoning or rent controls. These are market-sensitive. If I were a city council member and I wanted to use one of these tools, the first thing I would do is hire a third-party economist to look at the market and understand what the intended and unintended impacts of these tools might be. They are not appropriate to do at the statewide level because if we did something similar to inclusionary zoning across all local jurisdictions in the State, it may not make sense in all markets. This puts inclusionary zoning and rent controls on the list of tools available to local government, but does not mandate anyone to use them. They are available at the lowest level, closest to neighborhoods where land-use planning decisions are made. If they choose to become part of the solution, the tools are available to them.

SENATOR KIECKHEFER:

If local governments have the power to enforce rent controls and inclusionary zoning, are there any confines to that power? Could a city impose a rent control ordinance that allows 1 percent growth over a lease term of 10 years, or over 20 years of no growth? If the interpretation is wide open for what local governments can do, would it makes sense to put some confines into statute?

SENATOR RATTI:

Based on the interpretation heard by the Committee and stated in the Interim study report, Bulletin 19-5, changes made in 2015 regarding Dillon's Rule on what powers are specifically held by the State and what powers are left to local governments, inclusionary zoning and rent controls are powers left to local government. However, the powers were not explicitly enumerated. Therefore, the interpretation is wide open. After the Committee concluded its work, I heard from local government representatives that their city attorneys had a different interpretation, saying the 2015 provisions did not extend to inclusionary zoning and rent control. This bill clarifies that it is in the hands of local government and

eliminates confusion. If we want to get more explicit at the State level, we certainly could. Following the Legislative Council Bureau's interpretation, I did not choose to constrain the freedom given in 2015 any further. I only clarified that inclusionary zoning and rent controls were included.

CHAIR PARKS:

In my district in southern Nevada, there are a large number of HUD 235 residential developments dating back to 1970. Many are three-bedroom, two-bath homes without a garage but with a carport. We have moved away from those types of developments, and building costs have increased with new requirements. Was there anything in the Interim study that looked at how we might reintroduce those types of housing units?

SENATOR RATTI:

I am not familiar with that program, but the Housing Division staff is here and may be able to speak to that program. The primary form of assistance for building new units and rehabbing existing units is Low-Income Housing Tax Credit dollars. Most of those are being used in a multifamily unit setting. I am not aware of any being used in a single-family setting because the cost of building precludes that. Low-Income Housing Tax Credits can be used to maintain existing supplies. Many of those programs from the 1970s had a 30-year time limit, and at the end of the 30 years, we lose that housing from the low-income market. If we invest Low-Income Housing Tax Credits back into those projects to maintain them, we can extend the 30-year time frame. We are making a recommendation to put \$10 million of the State's money into a Low-Income Housing Tax Credit program to build more units to address the housing needs for Nevadans who fall in the very low-income and extremely low-income bands.

CHAIR PARKS:

Regarding infill developments, we have a number of developments built in the early 1970s with nearby vacant land. Multifamily and multistory units are being built in those areas with opposition in some cases. Since we have existing housing developments that were built at a reduced standard, it would seem reasonable to allow for similar housing with reduced standards to be built in nearby vacant land.



SENATOR RATTI:

Low-income projects are challenging to draft even with incentives. It is extremely difficult with costs of land, labor and now material—due to the tariff war—being up. Projects that are approved tend to be the perfect confluence of the right piece of land at the right time with the right footprint and the right financing coming into play. I will leave it to the Housing Division experts to discuss how we can get similar types of housing in those neighborhoods with nearby vacant lots. I do want to point out that while it would be nice to address single-family homes to meet housing needs, we need to do a whole lot of work in multifamily units just to get caught up with the number of people who do not have a roof over their head.

SENATOR KIECKHEFER:

With the reduction in fees from the enterprise fund in this bill, we propose requiring local government conduct a study to evaluate the suitability of that action based on existing needs. Did you consider requiring a market analysis if someone was going to impose something that intervened in the market like rent control does? You indicated that would be the first thing you would do, but there is no requirement in this bill for cities or counties to do so. Is that something you would consider or have already considered?

Also, regarding the bill which passed in 2015 regarding Dillon's Rule, understanding the City of Reno may be pushing back, are you aware of any other local government that has used the authority?

SENATOR RATTI:

I would be open to requiring an economic study. It makes a lot of sense. Using an example of sewer fees, when I was a member of the Sparks City Council, our typical process was every five years to bring in a third party to evaluate our sewer infrastructure, maintenance needs and likely growth. They would look at our current income from our residential fees or ongoing sewer hookup fees as well as costs to new development to hook up to the sewer system. We would then set our sewer fees for the next five years and repeat the process every five years. I suspect that is a common practice among local government. During the process, local government could make a decision to give lower fees or no fees to affordable housing and therefore raise fees for everybody else, if needed. In practicality, that is how it would work. Local governments could bring in an economist to look at the effect of supply and demand in the market

and use that model they are already comfortable with to consider a rent control ordinance.

To address your second question, I am not aware of any local government using either inclusionary zoning or rent control. In conversations within the local government working group, a consensus existed in which nobody wanted to be first because the 2015 Dillon's Rule did not explicitly call out either of those things. The anticipation of being sued because a local government does not have the power to take those actions and then having to deal with a lawsuit would keep most local governments from being the first to give it a shot. If explicitly in the law you are eliminating the likelihood of being sued, it would then afford the local government a careful process of involving stakeholders and constituencies and strike the right balance.

This is just one bill which came out of the Committee to Study Issues Regarding Affordable Housing. We are going to hear a second one today—a data cleanup bill. We have a definitions bill, a Low-Income Housing Tax Credit bill, a supportive housing bill, two tenants' bills and another bill that allows regional transportation commissions to free up right-of-way land for affordable housing developments. These are the five or six other bills that will be working their way through this Session on this topic.

WILLIAM BREWER (Executive Director, Nevada Rural Housing Authority; President, Nevada Housing Coalition):

We helped Senator Ratti with her work on the Interim Committee and agree these two bills are great tools to help promote additional units of housing in Nevada. Local governments are often hamstrung by the inability to offer useful tools to developers in supporting affordable housing development. We support these bills and offer any assistance to make this happen.

WENDY WIGLESWORTH:

I will read from my testimony submitted in support of S.B. 103 ([Exhibit D](#)). In addition, I am at risk of being told any day the motel where I live is going to be torn down and there will be nowhere to go. I have friends who work and still cannot find a place to live. I worked for 20 years in this town, and the housing problem is horrible. Please make the housing better.

DAVID GOLDWATER (Leading Builders of America):

I support S.B. 103. Senator Ratti has taught one thing about affordable housing or lack of affordable housing: it is not just one thing that affects the total cost of housing. It is many different things. A number of bills address the demand side and subsidies for people seeking housing. This bill affects the supply side. Senator Ratti addressed the four Ls of the cost structure: land, labor, lumber and legal. Giving local governments this tool to address the cost of the fourth pillar is important as developers look at these formulaic decisions in deciding what to build.

JOSH HICKS (Nevada Home Builders Association):

The Nevada Home Builders Association participated in the Committee to Study Issues Regarding Affordable Housing chaired by Senator Ratti. We are happy and excited some of our comments were included in the Committee's final package. I will limit comments to the bill as drafted as I have not had a chance to review the potential amendment. Providing affordability and price points for housing is important. Referring to one study from the National Association of Home Builders last month, with every \$1,000 a home price goes up, 127,560 households get priced out of the market for that home. In Nevada, for every \$1,000 a home price goes up, 2,285 Nevada households can no longer afford that home. We are sensitive to things which increase home prices, and we try to keep those down. Multifamily units are more susceptible to larger fees. For example, another study from the National Association last year pointed out 32.1 percent of the cost of multifamily units comes from the regulatory side, including fees, licensing and zoning. This bill is important since it provides fee flexibility to local governments to lower costs and helps builders provide housing at a lower price point. A good feature of this bill is for governing bodies to hold hearings and make findings before reducing or subsidizing fees. It is important for everybody to know local government can afford to do it, and they are not going to seek that money in some other way which could cause some issues as well. This is a good bill, and we are proud to support S.B. 103.

JAMIE RODRIGUEZ (Washoe County):

We support S.B. 103. Senator Ratti spoke of the housing issues we have in Washoe County, so I do not need to reiterate that. We appreciate the flexibility this bill allows local government to ensure we pick appropriate projects, especially in location. Having affordable housing far away from services is difficult for local governments.

SENATOR GOICOECHEA:

Under statute, a number of policies allow local government to sell property at a reduced cost, donate property or request property through recreation public purchases. How many of these projects are receiving discounted lands or federal properties, for example?

Ms. RODRIGUEZ:

I will get that information for you. Washoe County is fairly limited in the land it owns where it could build these projects. It has been a large topic of discussion. We looked at affordable housing and what we are allowed to do and where. Washoe County, through the Regional Plan, has limits on the types of housing projects we can do in unincorporated areas.

SENATOR GOICOECHEA:

I would like to see how much activity in this area is going on since we are discussing reducing some fees and placing an enterprise fund in this bill. It is problematic if other tools already in place are not being used.

DYLAN SHAVER (City of Reno):

To address Senator Goicoechea's question, the City has been pursuing affordable housing for quite some time, as this has been a major issue in our region for a number of years. For example, we have a Tiny Homes Village in development. We have dormitory housing for people who have found work but are saving up money to find more permanent residences. At our last council meeting, we learned of another developer who stepped forward to negotiate with the City on land it owns to provide housing as well. We are exploring avenues available to us, but this is a challenge big enough that every tool is helpful. As Senator Ratti testified, something may work in one part of town but might not work in another. Having the discretion to pick and choose which tool we use will be valuable and will address one of the biggest challenges the City is facing today. We are here in support of S.B. 103.

JOHN FUDENBERG (Clark County)

We support S.B. 103. I will get some data to address the question from Senator Goicoechea.

ZACHARY KAHN (Nevada Student Power):

I am here today in support of S.B. 103. This bill enables local governments to assist affordable housing developers by allowing municipalities to reduce or

subsidize certain building fees, impact fees or enterprise fees without having to be reimbursed by local government's general fund. I represent Nevada Student Power. We are a grassroots coalition of school clubs and student activists. As students, we have found it harder and harder to find affordable housing, especially near the campus of the University of Nevada, Reno. If Reno continues to grow, we have to continue growing our capacity for offering safe and affordable housing to students and to people who have been here longer than us.

CHAIR PARKS:

Is Nevada Student Power just an organization on campus?

MR. KAHN:

We are a statewide organization and partnering with Acting in Community Together in Organizing Northern Nevada.

DAGNY STAPLETON (National Association of Counties):

We are in support of the enabling language in S.B. 103 that would allow counties the choice to use these tools if appropriate for them.

ERIKA MINABERRY:

I am a student of social work and a mother of three. I am here in support of S.B. 103. Three years ago, my biggest worries were being my daughter's Girl Scout leader, including my kids in Cub Scouts and play dates, worrying about whether they ate enough fresh vegetables and if I read to them enough. I have never been wealthy, but I have always been able to piece things together until 2018. No matter what I did, no matter how many jobs I was working at just above minimum wage, I was unable to piece together this impossible puzzle, and no resources were available for me.

I had to make the painful decision to relinquish custody of my children to their father because I could not afford to put a roof over their heads. This decision has been nightmarish and an emotional turmoil for both me and my children. I know I am lucky because they had another safe place to go, even if I was not there to protect them or read them a goodnight story and tuck them in at night. If that option was not available, they would be living in my car with me, or we would couch surf together.

When I made the decision, I told myself it was just going to be 15 months until I graduate and I would be able to make a living wage. In just 15 months, I would be able to get my kids back. That has been my mantra to get through this dark time. In those 15 months, I have seen housing prices quickly increase.

As it stands now, when I graduate in May, even if I get a job with the most competitive wages for an entry-level social worker, I will still not be able to afford housing for me and my children. This is my biggest fear. I have done everything I can do to get out of this situation and rise above my circumstances, but I am powerless to stop it.

I support S.B. 103 because we need more affordable housing and legitimate low-income housing in this community. I support S.B. 103 because I need to be with my children, and my children need to be with me. This is my story, and I am not the only one who has this story. It is shared by hundreds to thousands of Nevada families right now, and we are counting on this Committee to hear us and vote in favor of this bill.

MEGAN ROCKEFELLER (The Food Bank of Northern Nevada):  
We would like to express our support for S.B. 103.

JEFF PAGE (County Manager, Lyon County):  
Lyon County is now the third-largest county population-wise in the State. With that, we have severe issues with affordable housing and lack of sufficient housing for our constituents and citizens over the past several years.

We have seen migration from Carson City and Washoe County east into Lyon County as prices go up in those locations. People move to Fernley, Dayton and Silver Springs, causing those prices to raise as well, creating a challenge for us.

We support S.B. 103. I do have a comment on the issue of waiving fees. I am not opposed to it, but it is going to be an easier sell to rural boards if the State is waiving those same fees. As an example, the State Fire Marshal is preparing to adopt the 2018 edition of the International Wildland-Urban Interface Code, which requires homes built in that area to have the plan reviewed by the fire district or fire marshal, depending on whether the State has a local agreement with them. If the State is doing the review, the State is charging a fee for it. When a final subdivision map is completed with the State Engineer and the Division of Environmental Protection, fees are required with that as well. Not to

criticize the State, but if counties are going to waive fees, maybe the State can help out a little bit too.

Lyon County is conservative and passed a resolution two weeks ago to develop a poverty task force to deal with poverty issues in Lyon County, and housing is on top of the priority list. We appreciate and support the concept.

JENNY REESE (Nevada Association of Realtors):

We support S.B. 103 and participated in the Interim Committee. We have concerns with the proposed amendment. We understand the need for sustainable affordable housing in the community. We ask to continue to work with the bill sponsor on this issue.

MARLENE LOCKARD (Nevada Women's Lobby):

The Nevada Women's Lobby has selected the affordable housing issue as a top priority for this Legislative Session. We are supportive of these efforts and will follow with interest different proposed amendments as they move through the legislative process.

JAY KOLBET-CLAUSELL:

I have years of experience providing technical support to developers, volunteering and now being a full-time social worker. I am a foster parent, and I volunteer at a nonprofit organization providing privately funded housing vouchers. Historically, vouchers were used for people in hospice-type situations where someone may have been living along the river, was at the end of life and had no one to turn to. We would bring them inside and let them have dignity for what might only be four months.

Over the last two years, people who need our support, those who have fallen through every crack, have changed. We have mothers with children and people who have never been on the streets. I am here to share one story. A family who had been in their home for five years was told to leave because their rent was going up. This mother has three teenagers, two of them disabled, and she did not qualify for assistance that would help her with this move. She sold everything she could. She found an apartment, which places her in a cost-burdened situation, where she is spending 75 percent of her income from working two jobs. She could not come up with the deposit, and this is where we helped.

I want you to consider the rent control tool. By itself, it may have unintended consequences, which could be dangerous, but in the entire picture it could benefit a family such as this as one more tool cities can use to manage their market correctly with appropriate experts. The burden from families in similar situations placed on the system causes the support system to be unable to respond to people in a hospice situation or to those who need intensive care. The whole chain has pushed people in need further down.

JENNIFER JEANS (Coalition of Legal Services Providers):

On behalf of the Legal Aid Center of Southern Nevada, Washoe Legal Services, Southern Nevada Senior Law Program and Volunteer Attorneys for Rural Nevadans, I am here to support S.B. 103.

The shortage of affordable housing units has exacerbated legal issues for all our clients. We support this bill in order to create more options for local governments to address these crises in their communities.

TYSON FALK (Nevada State Apartment Association):

We represent 140,000 multifamily units across the State with small, medium and large development properties. We are here today in support of S.B. 103. However, we do have some concerns with the provision of rent control. Through municipalities across the country, similar incentives included in the original language are valuable but not enough to make up for the difference in mandates of rent control. We support the original bill and appreciate the flexibility on behalf of local governments to work with developers, so we can provide more housing for Nevadans.

AUTUMN ZEMKE:

I spent my entire summer and fall canvassing in Carson City and Washoe County. We talked to hundreds of people and the No. 1 issue we heard was unaffordable rent in Carson City. Toward the end of the campaign, we spoke with a grandmother who was 84 years old and had adopted her 7-year-old granddaughter. The woman just received notice that her apartment rent was increasing from \$600 per month to \$1,000 per month. She was going to go look for a job. She was 84 years old, in great shape, but she should not be out looking for a job. That is not her place anymore. Passing S.B. 103, including Senator Ratti's amendment, is important to our entire State. Your job is to change policy, where my job is to see, understand and compassionately talk about my neighbors. On Election Day, a woman died on the streets in



Carson City. I urge you to pass S.B. 103, including the amendment, because we are years behind where we should be.

EDWINA KNIGHT:

I have lived in Carson City since 1972, and I was a beneficiary of affordable housing. I bought my home through the Department of Housing and Urban Development Section 235 Program. I was a single parent and able to support my children and pay my house payment. The assistance paid to the mortgage company offset the interest, not the principal. I paid for the house in 25 years. I still have the house, and it is in good shape because I was able to keep it up. Affordable housing is going to pay for itself in the long run by having people be able to support their kids, educate their kids. When you are a senior citizen, you have a roof over your head and do not worry about somebody raising the rent—just the property taxes, which in Carson City are relatively reasonable.

LUPE GUZMAN:

I will read from my written testimony in support of S.B. 103 ([Exhibit E](#)). I waited ten years for affordable housing.

SOPHIA SCHERSEI:

I will read from my written testimony in support of S.B. 103, [Exhibit E](#).

BIANCA BALDERAS:

I will read from my written testimony in support of S.B. 103, [Exhibit E](#).

MICHAEL SHOHEIT (Chief Real Estate Officer, Nevada HAND):

I will begin by reading from my written testimony in support of S.B. 103, [Exhibit E](#).

I will also address Senator Goicoechea's question regarding use of other tools local governments already have. While I am not a Clark County employee, Clark County is working on using housing provisions which allow local municipalities to nominate parcels of land for use in affordable housing and the ability to transfer those lands in a discounted market. Clark County identified 110 acres over 10 parcels for this project. This will go a long way for companies like Nevada HAND to produce affordable housing, but we need additional tools such as the one presented in this bill.

SENATOR GOICOECHEA:

The amendment being offered includes rent control and changes in zoning. Would that impact you significantly as well?

MR. SHOHEIT:

It would not impact our business model. I cannot speak to other development firms and property owners.

LAURA CADOT:

I am in favor of S.B. 103 as a county employee for over 30 years, starting in 1978. At that time, I was unable to buy a home. The only reason I was able to break into the housing market was because I married a man from California who had income from selling his home. Here we are, almost 40 years later, in the same position—and in fact, it is worse. I have a young daughter who is hard-working. She started working when she was 16, put herself through college and received her bachelor's degree. Four years ago, she got a job with the State and moved to Henderson. Given her State salary, she was able to get an apartment, but it consumed all of her funding. She had to watch what she spent on food and was not able to do any extracurricular activities. She was living hand to mouth. We looked for a cheaper place, but were unable to find anything within her budget that would be considered safe. She ended up getting roommates. I mentioned my daughter is young, but she is 35 years old. She is approaching middle age and at this point still not able to purchase a home. We have county and State workers who are not making enough to live in this economy.

I also witnessed the housing shortage when I was canvassing this last Session. I was appalled at the situations of people in apartment complexes who I met. Some housing was of poor quality, and these people were receiving rent increases of \$200 or \$300, for single-bedroom apartments, which were not worth it. I am speechless that 40 years have gone by and we have not improved housing conditions, not only for the low income but also of our working class. I am appalled that I sit here and can count girlfriends who are living on Social Security and struggling to make ends meet because you cannot buy housing or rent an apartment when your Social Security is under \$1,000. I have friends who have lost homes—a girlfriend's home ended up in foreclosure and, at the age of 70, she spent a year on the street living in her car. I look to each of you to change the face of Nevada and its workers, low-income residents and seniors.

AARON WEST (Nevada Builders Alliance):

I represent over 800 contractors statewide. We support S.B. 103. We have some concerns with the proposed amendment, especially the vagueness of the terms proposed. We would love to see this legislation move forward but need to work more on the amendment.

BRIAN MCANALLEN (City of North Las Vegas):

Housing is a critical issue for North Las Vegas, as it is for every community in southern Nevada. We thank you for bringing forward these bills and look forward to being a partner in addressing any issues related to affordable housing challenges.

PAUL MCKENZIE (Building & Construction Trades Council of Northern Nevada)

I did not have a chance to speak to Senator Ratti about my concerns which puts me in the neutral position on S.B. 103. I did not see the amendment until I arrived today. Regarding the amendment, I have a concern about the wording in inclusionary zoning. It sounds like one would be required to pay an incentive to implement inclusionary zoning. From my four years on Reno City Council, inclusionary zoning is our biggest and best solution to address affordable housing. It is the least cost to the public and the most expedited manner to address it as well. As we build housing, we are putting affordable housing in place as well. To incentivize people would make the rest of this bill unnecessary. If we incentivize for inclusionary zoning, which is a solution, we need to figure out what the incentive would be.

My concern is how we decide who to provide benefits to. When holding a public hearing, we do not have any definition of what we consider as affordable housing before we provide incentives. One of the biggest problems with affordable housing in the State is we have been providing incentives to businesses to come to Nevada and pay substandard wages. Paying an \$18-per-hour wage is 50 percent area median income, while our low-income housing is coming in at 60 percent-plus. If we are providing incentives for affordable housing at 60 percent, then we are not addressing the issue. We need to define what level of affordable housing we provide these incentives to.

The other problem is what conditions are placed in the front end of the process before they get to the elected body to make the selection, so this is not a situation of "my buddy wants an incentive and I'm going to give it to him, but this other guy, I don't like him ... so I'm not going to propose they move it

forward." An example of this is in the City of Reno where a developer got a \$3.5 million incentive to develop in a redevelopment area, but the City avoided calling it redevelopment so it could waive the sewer connection fees. Under law, this is not legal unless he or she is putting infrastructure in which increases capacity in the sewer system. The improvement on one's own property and sewer collection system would not benefit the whole system. The legal team mulled it around and decided they could legalize this project.

The explanation of why that was legal from the City Attorney's Office was NRS 338.0115 made it legal. Most of you know that NRS 338 is public works. It has nothing to do with connection fees. We need to be more restrictive on how we decide and implement who gets the benefit. It is a great idea. The Reno staff brought forward this idea while I was still on the Council, and the City's recommendation was to seek this kind of assistance. We need to ensure this is not misused and misdirected. I support the concept, but we need to make it more equitable.

CHAIR PARKS:

We will close the hearing on S.B. 103 and work on possible amendments. I will now open S.B. 104.

**SENATE BILL 104**: Revises provisions concerning the statewide low-income housing database maintained by the Housing Division of the Department of Business and Industry. (BDR 25-378)

SENATOR JULIA RATTI (Senatorial District No. 13):

As mentioned in prior testimony of S.B. 103, a number of bills came out of the Committee to Study Issues Regarding Affordable Housing in the Legislative Interim study. One was focused on how we collect and use data. The Nevada Housing Division did a significant amount of work to move toward getting us some dashboards and tools which allow policymakers, the development community and anybody who accesses the Division of Housing website to have a good collection of data pulled in from various sources. It provides decision-making tools needed to move forward. I am turning this piece over to the Division of Housing team to present.

STEVE AICHROTH (Administrator, Housing Division, Department of Business and Industry):

With me is Dena Schmidt of Aging and Disability Services. Senator Ratti provided an incredibly accurate synopsis of the affordability issues. As mentioned, this particular Committee created five bill draft requests (BDRs). This resulting Senate bill is related to data and collection of data. By statute, we are required to create an affordable housing database and house on our website. Part of the data is provided through NRS 278.235, in reports that come into the Division, and S.B. 104 ties the two together. This bill is a cleanup of language and creates the nexus of the reports from local jurisdictions to the Division.

As shown on page 1 of the presentation ([Exhibit F](#)), law requires a governing body—which is 1 of 9 local jurisdictions—to provide reports to the Division on January 15 of each year. By February 15, the Division creates what is called the *Annual Housing Progress Report*, a compilation of those 9 reports. We will have it available by the end of the week and displayed on the website.

We are tying that requirement into NRS 319.143 with clarifying language in section 1, subsection 2, requiring the Division to maintain the website. Clarifying language is also included in section 2, subsection 2, requiring the Division to ensure the information contained in the report is appropriate for inclusion and can be effectively maintained.

In addition, there is a friendly amendment proposed between the Department of Health and Human Services and Division of Housing, which Dena Schmidt will discuss.

DENA SCHMIDT (Administrator, Aging and Disability Services Division, Department of Health and Human Services):

We have worked with the Division of Housing and are requesting a friendly amendment ([Exhibit G](#)) to clean up some language in NRS 319.267 which required Aging and Disability Services to also maintain an affordable housing registry for accessible and affordable housing. The Division of Housing, through its registry, already gathers this information and reports all necessary information, which is helpful to our community service providers. We appreciate the communication and partnership with the Division of Housing and will continue to work with it to ensure community partners are utilizing the tool.

MR. AICHROTH:

We envision this amendment being enacted with page 2 of our presentation, [Exhibit F](#). This is our Low-Income Housing Database located on our website. You can see the requirements of NRS 319.143 are spelled out, and we have the Nevada Housing Dashboard in the lower right-hand corner. These are market indicators we collect to indicate the state of affordable housing within the State.

The Division supports the site <NVHousingSearch.org> as shown on page 3 of the presentation. This is a free, ADA-compliant site available to landlords and users which provides a toll-free number to contact. We enter our apartment, multifamily and single-family listings on this site to create a database of properties for consumers to find housing that fits their needs. We require all our funded properties to list on this database, which we monitor. The site is updated monthly and operated by <socialserve.com>, a company out of North Carolina. Page 4 of the presentation provides information for a random apartment complex in Carson City. You will see, in the middle of the page, information on accessibility. As this amendment comes through, we envision this is where information will be stored and accessible to the general public to display accessibility components.

SHANI COLEMAN (City of Las Vegas):

The City of Las Vegas is heavily impacted by homelessness and lack of affordable housing. We support S.B. 104. The availability of information regarding affordable housing is critical for the City to address homelessness and affordable housing.

MR. FALK:

The Nevada State Apartment Association is in full support of S.B. 104. Reliable, accurate and robust data leads to solid policy outcomes. We supported the creation of this database in 2009 and are happy to see the bill come forward. It makes common sense.

TYRE GRAY (Las Vegas Metropolitan Chamber):

I am here to support S.B. 104 for the reasons that have already been dictated by those speaking before me.

MR. BREWER:

The Nevada Rural Housing Authority and Nevada Housing Coalition want to go on record in supporting S.B. 104. This is an opportunity to enhance the data collection role of the Division of Housing. It has done a great job with the data which is valuable to the housing industry. Anything we can do to improve and enhance the data is valuable to us. We encourage passage of this bill.

MR. SHOHET:

I am reading from my written testimony of support on behalf of Nevada HAND ([Exhibit H](#)).

SENATOR RATTI:

I want to thank the Committee for the time allotted to this important topic, and I appreciate the testimonies, in particular to the improvements that can be made to the bill. I look forward to working with the constituents and stakeholders to make sure it is the best bill it can be.

CHAIR PARKS:

We will close the hearing on S.B. 104 and open the hearing on S.B. 12.

**SENATE BILL 12**: Revises provisions governing telephone systems used for reporting emergencies. (BDR 20-475)

VINSON GUTHREAU (Nevada Association of Counties):

The Nevada Association of Counties (NACO) is the statewide association representing all Nevada's 17 counties. In attendance with me today is Jamie Rodriguez, representing Washoe County. Senate Bill 12 addresses the allowed use of existing 911 fees. In 2017, S.B. No. 176 of the 79th Session passed which mandated the use of body cameras by all law enforcement. As part of this mandate, the Legislature allowed counties to raise 911 fees up to \$1 per phone line to cover increased costs of body cameras and to continue to fund their respective 911 systems.

A number of our counties have experienced difficulty in collecting fees they are due. There are numerous different telecommunication providers and billing entities in each county, and tracking proper collection and remittance has been a time-consuming challenge for local governments. To correct this situation, an audit is required for each of the phone lines and service providers. However,

these forensic audits are expensive, given the level of detail and breadth required to complete the audit.

To rectify this problem, NACO is requesting a small administrative change to the expenditure of 911 fees to allow fees to pay for these audits. The bill is straightforward. I want to highlight the one change the bill makes to law. This one-sentence change to NRS 244A.7645 outlines allowed uses and oversight of fees charged and collected by counties. Page 3, section 1, subsection 3 includes the language that NACO would like to add to allow for the use of 911 fees to pay for an audit. I will turn it over to Jamie Rodriguez from Washoe County to discuss Washoe County's perspective on this bill.

SENATOR KIECKHEFER:

Is there a belief counties are not being remitted everything due to them?

MR. GUTHREAU:

An audit will, in fact, tell us that. We are not entirely sure. An audit will let us know if we are collecting all fees local governments are entitled to under this regulation.

SENATOR KIECKHEFER:

You indicated audits are expensive. Do you know how much they would be and how many would need to be conducted since different companies have to remit these fees?

MR. GUTHREAU:

Jamie Rodriguez is going to cover this since Washoe County has more experience with the audit process.

Ms. RODRIGUEZ (Washoe County):

To answer Senator Kieckhefer's question, a full audit for all phone lines in Washoe County would cost around \$75,000.

SENATOR KIECKHEFER:

How much do you collect in 911 fees in a year?



MS. RODRIGUEZ:

I will double-check that. I know the projected amount but want to go back and make sure we are hitting that amount. I will obtain the information for the Committee. It will be a small percentage.

During the creation of Washoe County's updated Master Plan, which was completed in compliance with S.B. No. 176 of the 79th Session, we found our surcharge collection amounts did not match our population growth. That is where our disparity started in trying to figure out why a match did not exist. My Board of Commissioners had several discussions as to what led to the disparity and ultimately determined that an audit would clarify the discrepancies. However, being up against a timeline to ensure we implemented the body cameras on time per the legislation, we were unable to conduct the audit. If an independent audit were done, we would be able to confirm all collections and remittances due the County were being collected. Using Washoe County as an example, the legislation allowed us to go up to \$1. Washoe County did not need the full dollar. Our surcharge cost is 85 cents. If potentially more money should be remitted to the County, we may reduce the fee of 85 cents. A large part of the driving force to Washoe County Commissioners is we could help out our residents by reducing the fee a little bit more.

One question posed to us regarding this legislation, which I want to get on the record, is what Washoe County would do if we find companies that are not remitting the fee. We have no intention of going after past-due fees. That would cause an undue burden on our residents, which is not something they seek to do. The goal would be to address any company not remitting what is owed to the County going forward.

MR. GUTHREAU:

Nevada Association of Counties is aware of an amendment from Nevada Taxpayers Association. We have discussed this amendment with the Association prior to today's hearing, and we consider this to be a friendly amendment. The Taxpayers Association will present that separately to you; it may have submitted the amendment already.

CHAIR PARKS:

It has been submitted, and we will let them come forward.

MARY WALKER (Carson City; Douglas County; Lyon County; Storey County):

I am a certified public accountant and have been a local finance government director for various entities for 30 years. I have always been the person getting audited, but I support auditing. It is important checks and balances on our system. Senate Bill 12 is a good government bill.

MICHAEL PELHAM (Nevada Taxpayers Association):

My organization would like to support S.B. 12 with an amendment to section 1, subsection 3, on page 3 ([Exhibit I](#)). We want to add paragraphs (d) and (e). Paragraph (d) would require the auditor requested in paragraph (c) to be an independent auditor. The public sector's audit role is to provide unbiased and accurate information on the use and results of public resources. Therefore, auditors must conduct and report their work without interference or the appearance of interference. This could be done with an external auditor.

Paragraph (e) ensures the surcharge fees do not exceed the actual costs of performing the audit or analysis required in paragraph (c).

MR. PAGE:

Lyon County supports NACO's bill, S.B. 12, regarding the 911 surcharge and the audit. Lyon County implemented the full \$1 fee. We have the same concerns described by Washoe County. Our intent, if we conduct an audit and find we do not need the full dollar, would be to request a reduction in the fee for the citizens.

MIKE EIFERT (Nevada Telecommunications Association):

We are appearing in the neutral position. This is the first we heard of the issue. Nobody contacted Nevada Telecommunications Association (NTA) prior to the start of the Session. There may have been an opportunity to do some research and see if there is an underlying collection issue. As for the bill itself, we are not arguing that audits do bring up interesting details at times. As the bill is written, we have a couple of concerns. The bill speaks entirely to audit remittances only. You should also audit expenses. There are two facets, collection and spending, and both should be taken into consideration. Left open-ended in the bill are limitations on frequency. If we only need this audit one time to get a handle on some bad actors or on the process, this is not laid out in the bill. We ask for some consistency. Are you going to request an audit every year or every five years? If only needed one time, this is a long stretch to change the law to have one audit. We are not here to oppose the bill.

In closing, regarding S.B. No. 176 of the 79th Session, which brought body cameras into the 911 realm, NTA is on record of opposing the bill. The 911 surcharge was meant for emergency 911 services. Any diversion on that takes away from the State's ability to meet its responsibility to the public's safety. The Federal Communications Commission (FCC) recently put out a report which named Nevada as 1 of 6 states that had diverted 911 funds. There is always an assumption overhanging the FCC's decision that it might do something as far as grants to punish states that are diverting money. We support the Nevada Taxpayer Association's amendment to have an independent third-party auditor.

SENATOR KIECKHEFER:

Are all of the companies that remit under your Association, or are there small companies that are not? I am not sure of the industry versus the Association.

MR. EIFERT:

No. Nevada Telecommunications Association members are the incumbent local exchange carriers in the State. They were designated in the 1996 Telecommunications Act to supply services to certain areas and were given responsibilities for that. Aside from them, a number of large cell companies—Verizon, T-Mobile and so forth—and a plethora of smaller telecommunication providers have Customer Proprietary Network Information in the State. Quite a number of groups pay into this. Any audit would have to take that into consideration.

RANDY BROWN (AT&T):

We would reiterate the comments from Mr. Eifert and concur with his remarks.

BOB OSTROVSKY (Cox Communications):

We support the testimony you just heard in the neutral position. The cost is going to be a lot in southern Nevada. If \$75,000 is the cost in Washoe County, size dictates the number is going to be significantly higher in southern Nevada. I do not know enough about the counties' individual audit budgets, but they have audit divisions now to audit other kinds of taxes. They are asking to divert funds from 911. It is a policy call, but we support the industry's position.

MICHAEL HILLERBY (Charter Communications):

We support the concerns expressed earlier. It is not a quarrel with the efficacy of body cameras and the recording, it is the diversion of the money from the

911 system. It is designed under federal law to be used exclusively for the maintenance of the public safety access points, the 911 system. The diversion to other uses, however meritorious they may seem, is a concern and has the potential to jeopardize future federal funding. The next generation 911 system is going to be expensive. Should federal funding be available, we would not want Nevada to be on a list of those that might be in jeopardy of funding because of the decision to divert.

BRIAN REEDER (Verizon):

We concur with the previous comments about diversion of funds.

HELEN FOLEY (T-Mobile):

We agree with the concerns of the wireless and the wireline industries. I do not know of any other audit directly taken out of the tax being paid. Most of the time, the expense is out of the general fund budget for counties and cities. We do support having both sides, the remittance and use of the funds, being audited. We support the Nevada Taxpayers Association amendment.

RANDY ROBISON (CenturyLink):

I would be happy to reiterate the comments from the industry colleagues referred to at this point and to support those on the record.

SENATOR GOICOECHEA:

The Nevada Taxpayers Association amendment does not talk about auditing both expenditures and remittances. The group talked about supporting that amendment. Are we considering that with the amendment, or is it a separate amendment?

CHAIR PARKS:

It is definitely an amendment for consideration. We will not take it up today; there will be further discussion and work to do before we can make a specific decision.

MR. EIFERT:

I want to clarify the Nevada Taxpayers Association has submitted a formal amendment, and we are in support of it. The idea of auditing both the remittances and expenditures was a discussion point we had with the bill sponsors late last week. We will work with the bill sponsors to see about getting it added along with the Nevada Taxpayers' amendment.

MR. GUTHREAU:

I would like to address a couple of points which were brought up in the neutral testimony. When this bill was prefiled in November, we had reached out to multiple telecommunications providers to get their feedback. Regarding federal funding, the 911 systems in Nevada do not receive federal funding. They are not eligible for FCC funding given the fact we do not have a State coordinator. Without that, you cannot qualify for FCC grants. Regarding the number of times an audit would take place, according to Washoe County, it would conduct in accordance with its Master Plan, which is every five years.

I would like to clarify that oversight of expenditures already exists in statute. Every county has a 911 advisory committee which governs expenditures, and those are reviewed in a variety of ways by that committee.

CHAIR PARKS:

I will close the hearing on S.B. 12 and open the hearing on S.B. 13.

**SENATE BILL 13**: Authorizes the board of county commissioners of a county to form a nonprofit corporation to aid the county in providing certain governmental services. (BDR 20-483)

MS. STAPLETON:

The National Association of Counties is a statewide organization whose members are all 17 Nevada counties. This is one of our allotted five BDRs for this Session. The idea for S.B. 13 was originally brought to NACO by Clark County after the events of October 1, 2017. The County found this policy change was a priority. After we discussed the concept with the other member counties, we found this was a mechanism they all thought was important.

Senate Bill 13 authorizes a county to create a nonprofit corporation for the limited purpose of assisting the county in raising funds and providing assistance and services to residents and visitors in times of emergency or need. In the aftermath of the October 1, 2017, tragedy, Clark County realized it needed the ability to establish a charity or nonprofit under section 501(c)(3) of the Internal Revenue Code in order to accept and disburse donations from those who wanted to help. Under Nevada law, counties are not enabled to establish such funds. This bill would change that, so counties in times of emergency will provide oversight of donations and efficient-and-fair disbursement of help to

victims. Clark County Manager Yolanda King will provide more background on what led to the request of this bill.

YOLANDA KING (County Manager, Clark County):

Shortly after 10 p.m. on the evening of October 1, 2017, the Las Vegas community was forever changed. Clark County employees and partner agencies quickly jumped into action to provide emergency response, critical incident management and support to all those involved. In every way, the Las Vegas community answered the call, showing that even during the darkest of tragedies, human kindness and compassion win. I could not be prouder of my community and its response to this tragedy.

The mass response from people wanting to help created an unexpected challenge to Clark County. One of the first calls we received on October 2 came from representatives of both the cities of Boston and Orlando. In addition to sharing their sympathies and offering their assistance with anything we may need, they asked about the County's capacity to handle financial donations. Both suggested identifying a single nonprofit fund for this purpose—preferably administered by a government agency. This was not something that had previously been contemplated in our emergency planning.

Individuals wanted to ensure that every dollar of their donation went directly to victims and survivors. National experts in this area also reached out to us to emphasis the importance of ensuring that all funds collected through donations be directly given to the victims' families and survivors. Victim advocates groups demanded such.

We consulted with our attorneys and determined that the County itself did not have the authority to create such a fund, even though the community expected us to take the lead. It became clear that we would need to identify another mechanism to direct donations.

I am sure many of you heard during the night of October 1, 2017, into the early morning of October 2, that a GoFundMe account was created by then-Chair of the Commission Steve Sisolak and Sheriff Joe Lombardo.

During the first few weeks after the event, the County spent many hours working with various groups and individuals in an effort to identify an existing fund that would accommodate this model. The single-fund model was what we

were trying to achieve while also ensuring the dollars went directly to the victims and survivors. With the GoFundMe account, and probably with any other account funded this way, not all the dollars collected go directly to the victims. An administrative fee comes off the top before it is given to those who started the fund. We quickly recognized all those donations would not be 100 percent to the victims and survivors.

Many expressed concern either with the responsibility of making determinations about how the funds would be dispersed or had other ideas about how funds should be distributed. During this time, families and survivors were confused about who was responsible for taking donations, how the funds were being handled, and ultimately, when they would be able to access them. We were committed to working to establish a single-fund model that would guarantee all monies collected would be distributed to victims.

In the end, the Nevada Resort Association agreed to assist by creating a nonprofit fund for this purpose. We were able to tap into various community leaders to assist with the administration of the fund and, finally, with the difficult task of determining the proposed disbursement of funds.

Authorizing counties to establish a fund prior to an emergency would greatly assist in responding during the early stages of these tragic events. Allowing a government entity to be responsible for the administration of these funds lends creditability to the fund, ensures transparency and would provide for an immediate mechanism for collection. Most importantly, the single-fund model allows an efficient way for monies to be collected and distributed, which creates fewer complications and redundancy for the victims and allows them to access needed funds more quickly.

It is interesting when you look back at what occurred for the October 1, 2017, event. This was probably one of the most discussed and agonizing decisions our County had to figure out—how to collect these funds and to ensure the funds went to the victims. In addition, we had numerous people asking questions wherein we had to rely heavily on the cities of Boston and Orlando in determining how they were able to handle such donations. Orlando already had a nonprofit organization created; though not specifically for emergencies, it helped the City when in need of collecting donations for what occurred at the nightclub. The city of Boston created its One Fund Boston, which is a nonprofit fund, shortly after what happened at the Marathon.

Because a government agency could not create a nonprofit organization, we had to ask individuals in our community if they would be willing to first of all be on the board of directors for a nonprofit agency. We went through several iterations and asked many people if they wanted to be part of what we call the Las Vegas Victims' Fund. It takes commitment from someone to personally list themselves on a board of directors and assume the liability and responsibility for a 501(c)(3). We fortunately had three individuals from the Nevada Resort Association who stepped up and were part of the board of directors which made it easy.

In addition, it was the County's responsibility to ensure with IRS that this truly would go to victims and survivors and be used for a government action for tax consequences with a 501(c)(3).

Eventually the 501(c)(3) was formed. From October 2, it took close to 5 months before we were able to create a 501(c)(3) and get those funds distributed to the victims and survivors.

SENATOR RATTI:

I have a couple of questions regarding the nonprofit. I understand the challenging circumstances of that particular incident and response. Part of the bill appears to say the members of the board will be employees of the county in order to deal with liability. Could you talk about that?

MS. KING:

Referencing section 5 of the bill, the intent would be having representatives from the county to be considered the board of directors. We can identify which of those individuals would be the board of directors. As noted before, if it is the intent to go out and ask private citizens to become the board of directors, we would have a difficult time. If you have employees, such as the chair of the board, county manager or treasurer within the organization who would be noted as directors, it would give more credence to the nonprofit being part of a government agency.

MS. STAPLETON:

Section 5 states if the board members are private citizens and not employees of the county, then only for the purpose of granting them legal immunity under NRS 41 are they then also considered employees of political subdivisions. This



would grant immunity to any private members of the community who were appointed to the board because of the circumstances of 501(c)(3).

SENATOR RATTI:

To clarify, the county would create bylaws and articles of incorporation. Those bylaws would enumerate who would be on the board of directors, who could then be a mix of private citizens and county employees. For the purposes of liability only, those private citizens would be considered employees of the county.

Ms. STAPLETON:

Yes, that is correct.

SENATOR RATTI:

The county does lose some level of control because it becomes an independent 501(c)(3). This is where it gets sketchy for me. If they are employees of the county, they have a fiduciary role given to them by IRS under 501(c)(3) with a duty of loyalty to the charitable nonprofit. If the county employee's boss tells the employee he or she should be doing one thing and the IRS fiduciary role given by the nonprofit board of directors is any way conflicting, this could be placing the employee in an interesting situation. It is a fine line you are trying to balance. I understand keeping the county's hands in it for credibility, but at the same time the whole point of the nonprofit sector is to be an independent, private sector. There is a role for both the charitable sector and the county. I am not saying it is a bad idea. I am certain the lessons learned from 9/11, Boston and Orlando are important ones. You need to be cautious on how it is set up.

Is it your intent to have it set up and ready if and when the next incident occurs?

Ms. KING:

Yes, the intent is to initially set up the fund for it to be available in the event of an emergency declared by the County. We would not need or attempt to use it for anything else. We would notate that as part of the bylaws.

SENATOR RATTI:

Is that the standard, that an emergency has been declared?

Ms. KING:

I do not see any other reason to use the funds aside from declared emergencies. We want to react quickly with regard to financial donations received from individuals and make sure the donations are disbursed from a single fund and directed specifically for that purpose.

SENATOR RATTI:

If a declared emergency is the narrow intent, I am thinking about situations in other counties. For example, what would be the trigger point for wildland fires? We have fires that involve one house and family that need help—typically the Red Cross or other organizations provide assistance—and then there are fires on the large scale that take out large sections of entire counties.

If we leave language in that says "or a time of need in providing residents and visitors emergency assistance," it opens the door for situations such as a domestic violence situation or the series of four murders we recently saw in Reno and Gardnerville. We need to be cautious if it becomes a fund that anybody can use for any emergency assistance. We lose the value of having something in which people are certain their donations go to a particular event, because now donations are coming in for all sorts of events, and you end up with the same problem Red Cross has had of designating donations received to apply to specific tragedies. If you leave the door open to any time of need, this might look different in Esmeralda County versus Clark County, and where do you draw those lines?

If you decide a declaration of emergency had to be declared, then that might make sense. We have good nonprofits, like Red Cross and Nevada Community Foundation, which fit in this picture for some assistance as well. Where do we think the current nonprofit sector cannot meet the need? Where is there something specific the county government needs to be involved in? These would be the questions to address.

Ms. STAPLETON:

We received similar questions since the bill has been released. What is the trigger, and where do you draw the line? We discussed possibly amending the bill to specify the fund would only be utilized upon an official county-declared emergency. Pursuant to NRS 414, counties have that authority.

SENATOR GOICOECHEA:

I do not know how you could establish a limit in all counties. For example, in a county as small as Esmeralda, how is it to deal with receiving a \$50,000 donation for a family who had their home burn down? There is no legal mechanism, other than establishing the nonprofit introduced in this bill, to ensure the money really gets to them. It might not be a disaster like October 1, 2017, that occurred in Las Vegas, but in a small community like Goldfield, if somebody loses his or her home to a fire, the public steps up to support that. I like this mechanism, and I understand where it is going.

CHAIR PARKS:

Would this be established as a special revenue fund account within the financial structure of the governmental entity for accounting purposes?

Ms. KING:

I do not foresee it as part of our County financials. The nonprofit has a reporting structure completed on an annual basis. I can look into it if that is something you would like to see for accountability.

SENATOR RATTI:

In nonprofit situations, we are concerned that as much as every dollar that is donated gets to the intended victim. The reality is administrative costs exist. Is the intention that the counties would donate their services and absorb the administrative burden? This could be timely and costly, depending on the dollar amount.

Ms. KING:

My vision is that Clark County, or any other county, would cover or provide those administrative services.

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CHAIR PARKS:

We will close the hearing on S.B. 13 and discuss this further at an appropriate time. The Senate Committee on Government Affairs is adjourned at 3:50 p.m.

RESPECTFULLY SUBMITTED:

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Becky Archer,  
Committee Secretary

APPROVED BY:

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Senator David R. Parks, Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit / # of pages</b>		<b>Witness / Entity</b>	<b>Description</b>
	A	2		Agenda
	B	12		Attendance Roster
S.B. 103	C	2	Senator Julia Ratti	Conceptual Amendment
S.B. 103	D	2	Wendy Wiglesworth	Testimony in support
S.B. 103	E	5	Witnesses	Testimony in support
S.B. 104	F	5	Steve Aichroth / Housing Division, Department of Business and Industry	Presentation
S.B. 104	G	1	Dena Schmidt / Department of Health and Human Services, Aging and Disability Services Division	Conceptual Amendment
S.B. 104	H	2	Michael Shohet	Testimony in support
S.B. 12	I	1	Michael Pelham / Nevada Taxpayers Association	Amendment