

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

**Eightieth Session  
April 1, 2019**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 1:09 p.m. on Monday, April 1, 2019, in Room 1214 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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 James Ohrenschall  
Senator Ben Kieckhefer  
Senator Pete Goicoechea

**GUEST LEGISLATORS PRESENT:**

Senator Heidi Seevers Gansert, Senatorial District No. 15  
Senator Dallas Harris, Senatorial District No. 11  
Senator Julia Ratti, Senatorial District No. 13

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Committee Policy Analyst  
Heidi Chlarson, Committee Counsel  
Steve Woodbury, Committee Secretary

**OTHERS PRESENT:**

Emily Ku, Management Analyst, Nevada Commission on Minority Affairs,  
Department of Business and Industry  
John Fudenberg, Clark County  
Ryan Black, City of Las Vegas  
Wes Henderson, Executive Director, Nevada League of Cities and Municipalities  
David Paull, Director of Real Estate Development, Nevada HAND  
David Frazier

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J.D. Klippenstein, Executive Director, ACTIONN  
Shane Piccinini, Food Bank of Northern Nevada  
Jennifer Jeans, Washoe Legal Services; Southern Nevada Senior Law Program;  
Legal Aid Center of Southern Nevada; Volunteer Attorneys for Rural  
Nevada  
Tommy Ferraro, Chicanos Por La Causa Nevada, Inc.  
Delen Goldberg, Chief of Staff, City of North Las Vegas  
Bill Brewer, Nevada Rural Housing Authority  
Don Tatro, Executive Director, Builders Association of Northern Nevada;  
Executive Director, Nevada Home Builders Association  
Josh Hicks, Nevada Home Builders Association; Builders Association of Northern  
Nevada; Southern Nevada Home Builders Association  
Kevin Sigstad, Nevada Realtors  
Susan Fisher, Nevada State Apartment Association  
Steve Aichroth, Administrator, Housing Division, Department of Business and  
Industry  
Susan Riggs, American Society for the Prevention of Cruelty to Animals  
Jeff Dixon, Nevada State Director, Humane Society of the United States  
Rhiann Jarvis Denman, Deputy City Attorney, City of North Las Vegas  
Sean Hoeffgen, Municipal Judge, City of North Las Vegas  
Jeff Wells, Assistant County Manager, Clark County  
Chuck Callaway, Las Vegas Metropolitan Police Department

CHAIR PARKS:

We will open the hearing on Senate Bill (S.B.) 490.

**SENATE BILL 490**: Requires the Nevada Commission on Minority Affairs to  
conduct a study related to disparities and unlawful discrimination in the  
awarding of certain contracts by the State or a local government.  
(BDR S-586)

SENATOR DALLAS HARRIS (Senatorial District No. 11):

I will read from my written remarks ([Exhibit C](#)) presenting S.B. 490.

CHAIR PARKS:

The makeup of this Commission would also create a fiscal note. Are you aware  
that a fiscal note has been submitted?

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SENATOR HARRIS:

I am aware of the fiscal note, which is related to the cost of conducting the study.

CHAIR PARKS:

Would that be the cost to pay a contractor to conduct the study?

SENATOR HARRIS:

That is correct. I am in discussion with the Nevada Commission on Minority Affairs to see if there is a more feasible way to make this study happen. We should be able to reduce the cost.

EMILY KU (Management Analyst, Nevada Commission on Minority Affairs, Department of Business and Industry):

The Commission is neutral on S.B. 490. I will read from my written testimony ([Exhibit D](#)).

SENATOR HARRIS:

I will continue to work with the Commission to determine the best way to get this study done. Sometimes, equity is expensive.

CHAIR PARKS:

Any partnerships that might be developed would be desirable for all parties. Seeing no additional testimony, I will close the hearing on S.B. 490 and open the hearing on S.B. 409.

**SENATE BILL 409**: Revises provisions relating to regulatory bodies.  
(BDR 18-147)

SENATOR HEIDI SEEVERS GANSERT (Senatorial District No. 15):

Senate Bill 409 revises provisions related to regulatory boards. There are many regulatory boards in Nevada under of the *Nevada Revised Statutes* (NRS) 54. We have been trying to expand reciprocity for many of these boards. In particular, we have had measures to endorse military spouses in other states. We have waived fees and done a number of things to allow for the endorsement of several professions.

However, research has demonstrated there are many barriers to professional licensing. According to the Institute for Justice (IFJ), 30 percent of Nevada's

workforce is licensed through occupational licensing boards. Additionally, Nevada ranks second among all states for having the most onerous licensing requirements. Nevada is also the most expensive State for licensing lower—and moderate-income occupations. *The Wall Street Journal* November 24, 2017, article entitled "Licenses to Kill Opportunity" includes IFJ's ranking.

The good news is that Nevada was 1 of 11 states selected to participate in an occupational licensing policy-learning consortium. This Committee will likely see some bills come forward in relation to that. In addition to the work that has resulted from the State's participation in that consortium, I am presenting S.B. 409, which changes some of the duties of the Sunset Subcommittee of the Legislative Commission (SSLC).

Currently, the SSLC must review a minimum of ten boards each Interim. Section 1, subsection 1, of the bill requires that every board is reviewed at least once every eight years.

Section 1, subsection 1, paragraphs (b) and (c) require that an evaluation of the information contained in reports submitted by regulatory bodies be done as well as an evaluation of the need for each eligibility requirement for licensure established by the regulatory bodies.

Section 2, subsection 1, paragraph (b), subparagraph (1), sub-subparagraph (III) requires that boards keep track of when someone is rejected based on a technical requirement. Boards must list how many times applicants are rejected due to a technical flaw in their applications. Section 2, subsection 1, paragraph (b), subparagraph (1), sub-subparagraph (V) states that if someone is rejected because of a background check, the specific reasons for rejection must be stated.

The report will not list who the person is, but part of what we are trying to accomplish is to determine the reasons individuals are being rejected as a result of background checks. Is there really a nexus between a rejection and what the work actually is? This added transparency will help make that determination.

Section 2, subsection 1, paragraph (b), subparagraph (2) lists the types of personal identifying information that a board requires and the justification for that need. Something we have seen over the years is that boards and

commissions gather all sorts of sensitive information from individuals that is not required for licensure.

Section 2, subsection 4 of the bill states, "As soon as practicable after a regulatory body adopts any type of new criteria ... or grounds for denial," the body must provide that information to the SSLC and inform it of the grounds for the denial of an application for licensure. The body must also report the reasons for the adoption of any new requirements. Section 2, subsection 5 defines personal identifying information.

I have provided a document ([Exhibit E](#)) that provides examples of the broad discretion some boards have. Example 1 in [Exhibit E](#) references the Nevada State Contractors Board (NSCB). The language is broad, which may not present a problem for the NSCB but could for individuals.

Example 2 in [Exhibit E](#) is the Board of Athletic Trainers. There is a requirement for a criminal background check, but there is nothing in statute specifying why the information is required, what will be done with the information and what the rules are.

Example 3 in [Exhibit E](#) refers to the Board of Examiners for Alcohol, Drug and Gambling Counselors. A background check is required, and NRS 641C.530 allows the Board to use any information obtained from a background check to determine whether to issue a license. The question remains if the information obtained from the background check is relevant to the occupation.

The final example in [Exhibit E](#) is the Board of Examiners for Long-Term Care Administrators. Applicants are required to report to the Board if they have ever been "charged with any misdemeanor, gross misdemeanor or felony," but it is unclear what is being done with the information.

The purpose of this bill is to increase transparency around background checks and how provided information is being used. Also, if boards have a list of technical reasons why individuals may be denied a license, we need to know that so they can be addressed and fixed rather than continue denying people the ability to work because of a technical error. If an applicant is denied due to a technical application error because of an ambiguous question on the application, the applicant needs to know in order to make a correction. Additionally, the bill

would help ensure background checks are conducted properly, the rules are clear and people have a fair shot to work through the licensing process.

VICE CHAIR SCHEIBLE:

Are you proposing that we change the requirements that you listed with the varying specificities or make them clearer?

SENATOR GANSERT:

This bill is about transparency. The SSLC already exists, so this bill adds additional information to increase transparency around technical denials and also background check denials. For example, applicants would not be denied with the explanation that they had a felony but that they had a felony having a nexus to the work of the occupation.

VICE CHAIR SCHEIBLE:

We are not collecting this information for the sake of collecting information; we are going to do something with it. It seems that this bill would enable people with criminal records to get licensed more often in more fields in Nevada.

SENATOR GANSERT:

An example of what I learned through this process involves the State Board of Cosmetology (SBC), which used to run background checks. Now it does more investigations if there is an issue. What the SBC found is that many times, years ago, women involved in domestic violence incidents would have records of domestic violence on their records, even if they were not necessarily offenders.

Another example is someone who had a felony DUI 25 years ago and could not get a job through an occupational board because of a felony, even if he or she has had a clean record ever since. We want Nevadans to be able to work. This does not preclude boards from denying applications, but it asks the question if there is a nexus, what questions can we ask to help people work if they are able to do so.

VICE CHAIR SCHEIBLE:

I want to make sure the record is clear if this bill passes in Committee and goes to the Senate Floor. The idea here is that people who previously were denied licenses because of their criminal records will now be able to get licenses.

SENATOR GANSERT:

It will be up to the licensing board to determine whether someone gets a license, but this bill increases transparency around licensure. If background checks are required and people are being denied, this will help applicants see why they are being denied. Boards can still do what they need to do, but we will know more about the reasons for denials and if they have to do with a technical problem or a background check that does not have a nexus to the work.

VICE CHAIR SCHEIBLE:

When you say we can look at licensing moving forward, are you talking about expanding licensing for more people who have criminal convictions?

SENATOR GANSERT:

The boards will make those determinations, but this bill creates more transparency around the process of denials. Boards determine who qualifies, but we will have more information about denials that are based on either technical issues or background checks.

VICE CHAIR SCHEIBLE:

If the boards are going to be the ones to make the determinations, why do we need information?

SENATOR GANSERT:

Transparency could influence the process. For example, if the SBC was routinely denying applicants with felonies and there were women with domestic violence felonies on their records from 20 years ago, more research could show they possibly should not have had those felony convictions on their records. We want more transparency around the process. The boards will make their own decisions, but having more information about why someone is denied will help moving forward.

SENATOR GOICOECHEA:

As I understand it, the focus of this bill seems to be on licensing boards, but all boards and commissions will need to be visited every eight years, with ten being completed each year. As the ten are reviewed, the SSLC will try to determine how many licensure applicants are being approved or rejected and what the rationale is for rejections. If it appears there is a problem, the board would be instructed to go back and rewrite their regulations. The SSLC would

not be dealing with applications directly but taking a long, broad-based look to determine if there is a problem of too many applications being rejected and if enforcement is too stringent or not stringent enough. Is that correct?

SENATOR GANSERT:

Yes, that is what we are looking for. We want data to determine if there are any outliers as far as rejections, whether technical rejections or background check rejections. If a board has a consistent pattern of rejections among certain types of applicants, is there a nexus? Is the rejection reasonable? With added transparency, there might be red flags indicating where people who should get licenses are not getting them.

This bill adds to the reports that already exist. The SSLC is already required to review ten boards or commissions during every Interim, but the bill adds language requiring that every board and commission be reviewed at least once every eight years.

SENATOR GOICOECHEA:

Are you are on a witch hunt rather than application by application?

SENATOR GANSERT:

Yes, this bill is about transparency and getting the data to determine whether there need to be changes.

SENATOR GOICOECHEA:

You are looking at the entire commission though, and not one-by-one applications?

SENATOR GANSERT:

That is correct. The normal review process will be augmented to get data on technical denials and background check denials.

CHAIR PARKS:

In looking at the Sunset Subcommittee, it is responsible for reviewing all boards, commissions and similar entities created by the Nevada Legislature. It is charged with determining whether those entities should be continued, modified, consolidated with another board or commission or terminated. This bill expands those particular duties and adds additional responsibilities when reviewing boards and commissions. Is that correct?



SENATOR GANSERT:

The bill expands the SSLC's lists of duties as far as the review of the reports already being produced. The SSLC reviews boards and commissions on a regular basis, so it is a good place to add this requirement to collect data and increase transparency around boards and commissions.

CHAIR PARKS:

Having served on the SSLC and knowing of the work involved, eight to ten studies are a heavy load for an Interim period.

SENATOR GANSERT:

The standard already requires that not less than ten boards or commissions be reviewed every Interim period. The bill adds the eight-year cycle for each board and commission.

I have provided examples and do not want to imply the boards are doing something wrong. The current language is too broad. We are not being consistent, and increasing transparency should help.

CHAIR PARKS:

Doing ten studies consumes a lot of time, and this bill requires that a little more work be done with each of those studies. Regarding the requirement for reports to be submitted on a quarterly basis, I am always curious about the various reports produced and who reads them. Could you please comment on that?

SENATOR GANSERT:

Statute requires quarterly reporting, which does seem quite frequent. Since the SSLC is doing some of this work, I do not think the added burden is high, but we will learn from the data we receive.

CHAIR PARKS:

Seeing no additional testimony we will close the hearing on S.B. 409 and open the hearing on S.B. 398.

**SENATE BILL 398**: Revises provisions relating to affordable housing. (BDR 20-1074)

SENATOR JULIA RATTI (Senatorial District No. 13):

As a State, we are last in the Nation in terms of the number of affordable units we have to serve our extremely low-income population, and we are not doing much better when it comes to our low-income population.

I presented S.B. 103 to this Committee earlier in the Session. That bill was directed to local governments and how they can be part of the affordable housing solution. In that process, the idea of impact or enterprise fees was brought forward by local government, which would allow local governments to be more involved in affordable housing. At that time, I brought forward an amendment to expand the toolkit for local governments, but in order to keep the policy clear, that amendment was removed. Senate Bill 398 is a new approach to accomplish the same thing.

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

The affordable housing crisis is so severe that we need an all-hands-on-deck approach to solve the problem. The federal government cannot do it by itself. State government cannot do it by itself. Local governments cannot do it by themselves. We need the private sector and the philanthropic community. This bill makes sure there is clarity so that local governments are empowered to do what they need to do to advance affordable housing strategies.

In 2015, the Legislature did some work on the concept known as Dillon's Rule. With regard to local governments, this authorizes boards of county commissioners or other governing bodies to exercise powers necessary or proper to address matters of local concern. The 2015 Legislature did some work through S.B. No. 29 of the 78th Session and A.B. No. 493 of the 78th Session that gave more authority to local governments to address matters of local concern. During the 2017 Interim, many affordable housing strategies were considered in the Committee to Study Issues Regarding Affordable Housing (CSIRAH). In consultation with the Legislative Counsel Bureau Legal Division, the CSIRAH determined that local governments were empowered to pursue many of the strategies that were identified and discussed, including the concept of inclusionary zoning. The CSIRAH was assured that the work done in 2015 to clarify Dillon's Rule to make sure local governments had the authority to exercise matters of local concern was sufficient, and legislation or additional

recommendations from the CSIRAH to make further clarifications were not necessary.

When the CSIRAH concluded, we continued to conduct town hall and other meetings about affordable housing. People asked if I would be bringing forward a bill to address things like inclusionary zoning, accessory dwelling units, local housing trust funds, rent stabilization, density bonuses, expediting zoning and permitting for affordable housing projects, and lowering requirements for affordable housing. My answer to everyone was that those were matters best left up to local government, and local government already had the power in NRS to pursue all of these affordable housing strategies.

Many of the same advocates of these affordable housing strategies continued wanting to see some of these policies implemented by local governments but were being told by representatives of local government that they did not have that authority and that NRS restricts that authority. There are differences between the way the Legal Division interprets statutes and the way some of the local government attorneys are interpreting the same statutes.

This bill seeks to clarify that on issues of such importance, like affordable housing, it is clearly a matter of local concern. Local governments are not only authorized to act but encouraged to act. Language of the bill is straightforward.

Section 1, subsection 2, paragraph (c) states that the term "matters of local concern" include "The development or redevelopment of affordable housing in the county or any action taken by the county to ensure the availability or affordability of housing in the county." This clearly states that affordable housing is a matter of local concern, and action may be taken by local government.

Section 2, subsection 5 of the bill includes the concept of fee in lieu of inclusionary zoning. The way inclusionary zoning works is if a development is going to come forward, a city or county can enact a specific ordinance to require that if a developer is going to build 500 new houses, 10 percent of those houses must be affordable to the median income. Or if a developer is going to do an apartment complex with 300 units, X percentage of those units must be affordable to somebody 60 percent of median income or below. That is generally how inclusionary zoning works. Many jurisdictions will also set up what is known as fee in lieu of inclusionary zoning, which allows the developer

to either build those units or pay a fee that goes into a trust fund that enables the local government to facilitate the building of affordable housing.

Because the work done in 2015 with regard to Dillon's Rule was specific to operational matters and not necessarily fiscal matters, fee in lieu of was one area we determined important to be called out specifically, so that is why the term "money in lieu of" is included in S.B. 398. Section 3, subsection 2, paragraph (c) contains explicit language regarding the authority of cities to address affordable housing issues. Section 4, subsection 5 allows for fee in lieu of for cities.

This bill does not mandate that local governments move forward on any affordable housing policies. It is silent on what strategies should be followed, whether mandates or incentives. It clarifies that local governments are critical players in increasing the supply of affordable housing, and they have the authority in NRS to initiate affordable housing programs to positively impact the affordable housing crisis in Nevada.

SENATOR KIECKHEFER:

When describing the bill, you mentioned "any action." Does that include condemnation? I do not know the parameters around condemnation. Would this measure encourage local governments to potentially condemn other properties to use for affordable housing? I do not know if it has been tested as to whether that meets the definition of public use within the traditional rules regarding condemnation.

SENATOR RATTI:

My understanding is that anything explicitly addressed in another chapter of NRS would not be included in this definition. If there is already something included in NRS because of Dillon's Rule and the State has claimed a particular territory, then it does not apply. But if the State has not claimed that territory, local governments may proceed as they wish.

SENATOR GOICOECHEA:

I was one of the proponents of home rule in 2015. In the scenario you mentioned of 500 units being built and 10 percent being built as affordable, this bill says they could pay a fee in lieu of carrying that out. Having worked a long time in local government, that concerns me.

SENATOR RATTI:

This bill is silent on what strategies should be pursued. It has been the interpretation from the Legal Division that zoning already falls squarely within the realm of local government. Inclusionary zoning and fee in lieu of inclusionary zoning are strategies commonly used in communities that have an affordable housing crisis or where there is an attempt to create a more balanced community where people of different income levels are not segregated into different neighborhoods. This does not direct any local government to pursue in lieu of.

Part of the reason this bill does not mandate Statewide solutions like this strategy is because these strategies tend to be market-driven. What is happening in Elko is different than what is happening in North Las Vegas, which differs from what is happening in Pahrump and Sparks. In resisting the temptation to come in with a hammer and require all governments to take the same approach, it is better that policies be market-driven. There may be market conditions and efficiencies for a fee-based system for a specific development rather than a percentage-based system.

My conversations with the development community in preparation for participation in the Committee to Study Issues Regarding Affordable Housing revealed that many do not like the mandate of inclusionary zoning, but they do prefer a fee in lieu of option if that strategy is going to be pursued. When community master plans are being developed, it may make more sense to keep the community intact to carry out the vision for that community. Some developers that want to help with the affordable housing issue would rather pay the fee. Having fee in lieu of would give more flexibility to the development community bringing these projects forward, should the local government choose to consider inclusionary zoning. The bill is silent on that but makes it clear that city councils and county commissions should be making those decisions.

SENATOR GOICOECHEA:

My concern is that there could be extortion with builders that do not want to build affordable housing being told they can pay a fee, which may not actually be used for affordable housing but go into local government coffers. I understand that it is broad-based and there might be an area where 500 units are going to be built, but if the local government's coffers are a little short, it could mandate a developer put in affordable housing, knowing that the developer will not do it but is willing to pay the fee. It is possible that a local

government may have no intentions of using the fee revenue for affordable housing. I am in favor of home rule, but it does need governance.

SENATOR RATTI:

Having also served in local government, I understand your concern. In best practices, fees collected in lieu of inclusionary zoning should be diverted directly into an affordable housing trust fund, so the money can only be used for affordable housing. That is the model. This is the challenge of home rule versus Dillon's Rule. If we give local governments the responsibility to ensure affordable housing for all of their citizens, we have to give them the flexibility and the tools to get it done.

JOHN FUDENBERG (Clark County):

Affordable housing is an important issue in Clark County, and we support S.B. 398.

RYAN BLACK (City of Las Vegas):

We have an affordable housing crisis in southern Nevada, and we are in support of S.B. 398.

WES HENDERSON (Executive Director, Nevada League of Cities and Municipalities):

Affordable housing is not only a crisis Statewide but nationwide. The National League of Cities and Municipalities has identified affordable housing as a top priority. The current president, Karen Freeman-Wilson, Mayor of Gary, Indiana, has created a taskforce on affordable housing with municipal leaders from across the Country. We support this bill because it provides clarity to incorporated cities that they have the authority to address affordable housing issues in a timely manner.

DAVID PAULL (Director of Real Estate Development, Nevada HAND):

Nevada HAND is the largest developer and provider of affordable rental housing. It is a nonprofit organization that owns and operates 34 apartment communities with more than 7,300 residents in southern Nevada. We develop, construct and manage the properties as well as provide supportive service to each of our communities to help our residents receive resources and programs to help them climb the ladder of success. In addition to my role at Nevada HAND, I also serve on the Affordable Housing Advisory Council for the Federal Home Loan Bank of San Francisco, which has overseen \$1.2 billion in grants to date in support of affordable housing developments in California, Nevada and Arizona.

Affordable housing has taken a large role in the 2019 Legislature, and we appreciate the bipartisan CSIRAH for studying the issues related to affordable housing and leading the dialogue. Different jurisdictions require different approaches to complex challenges such as affordable housing. This bill would give additional flexibility to Nevada county commissioners to meaningfully and efficiently serve their constituents and residents and provide localized solutions to the affordable housing shortfall.

DAVID FRAZIER:

I am one of the forgotten ones. When people talk about the motels, they talk about the drug addicts and the prostitutes, but they do not talk about me or my neighbors. Approximately 40 percent of those living in weekly motels are senior citizens or disabled residents surviving there. We are living on social security and other meager forms of income. I am lucky that in January I was able to get into a permanent, affordable apartment thanks to a Low-Income Housing Tax Credit that kept my rent below my monthly social security income.

It is hard to imagine, sometimes, how I ended up in a weekly motel or homeless. It was not something I would have ever predicted. I was a professional with a career I was proud of. For 15 years, I worked as an emergency medical technician in California. While this was a positive experience, seeing the hurt, suffering and trauma took its toll, and I had to leave the position due to posttraumatic stress disorder I developed. I drove a cab and worked in local government in the following years, but I struggled to get by.

When I retired, I moved to Fallon where I found a trailer home advertised as affordable housing. I quickly learned that there was a reason the rent was so low. Within months, our electricity was shut off as the landlord was not paying the fees. After struggling to get the power turned back on, we later learned that was the least of our problems. After being hospitalized, my wife and I learned that we were being affected by heavy metal poisoning from the arsenic in the well supplying water to our trailer. We immediately evacuated our home; social services provided us with a tent to live in for two weeks, informed us there was not much else they could do for us and advised us to move to Reno.

I sought treatment in Reno and was able to recover for the most part. Over the years, the poisoning took a toll on my wife, and she ended up losing her life. Since being in Reno, I have been living on social security. In that time, I have

faced homelessness and have spent the last few years moving between weekly motels in downtown Reno. Lack of affordable housing has taken its tragic toll on my life and the life of my late wife. I am lucky that I have a beautiful new wife, Dawn. We were able to get into a permanent apartment in January, but we recently learned that the Low-Income Housing Tax Credit that kept our rent affordable is expiring. Our rent may be raised to more than our monthly social security income.

From here, we do not know where we will end up. We do not want to be back in a motel or on the streets. All we can do now is worry and share our story with the hope of creating change. Last week, an Affordable Housing Trust Fund was passed in Washoe County by a unanimous vote.

J.D. KLIPPENSTEIN (Executive Director, ACTIONN)

ACTIONN is a nonpartisan grassroots organization that partners with faith communities and other stakeholders to engage in community organizing and advocacy work. We have been particularly focused on affordable housing at the State and local level.

We support S.B. 398. It is a national best practice to have local tools to address affordable housing. Our counties and cities are far too dependent on federal pass-throughs and other federal tools to building the housing that we need. We need a better toolbox, and this bill provides that.

This bill also strengthens the democratic process. Nevadans should be able to create policies that impact their lives at the local level. The affordable housing crisis is huge. If a Nevadan's voice cannot be heard because it is not quite clear who can say what or do what, it is hurting the democratic process.

An example is the Affordable Housing Trust Fund in Washoe County. We had to string together 3 different statutes and mobilize over 1,000 people to convince our county commissioners that this was the right thing to do and that they had the power to create the trust fund. This will eventually create a local layer of funding to build affordable housing in our County, and we are proud of that victory. It should not have been that hard to create a tool that our County and cities need. This bill makes it clear that they have those powers, and we hope it provides for a better conversation moving forward.



SHANE PICCININI (Food Bank of Northern Nevada):

Every month, the Food Bank of Northern Nevada continues to serve approximately 90,000 people, and a major reason these people are accessing our services, or those of our sister organizations, is because they are paying more than 60 percent of their income to maintain their housing. We support S.B. 398.

JENNIFER JEANS (Washoe Legal Services; Southern Nevada Senior Law Program; Legal Aid Center of Southern Nevada; Volunteer Attorneys for Rural Nevada):

Affordable housing is a huge issue in our community. We appreciate anything that creates more options for our local governments to address this issue. We support S.B. 398.

TOMMY FERRARO (Chicanos Por La Causa Nevada, Inc.):

Chicanos Por La Causa Nevada, Inc. works in Las Vegas and to some extent in northern Nevada on affordable housing issues and supports S.B. 398 and other efforts to give flexibility to local governments to make these projects easier.

DELEN GOLDBERG (Chief of Staff, City of North Las Vegas):

The City of North Las Vegas supports this bill. It offers another tool for local municipalities to tackle this important issue and provide more options for all of our residents.

BILL BREWER (Nevada Rural Housing Authority):

The Nevada Rural Housing Authority applauds this bill, which brings additional tools to local government to help develop affordable housing. There is a tremendous need, as you are all well aware, and we are looking forward to creating additional housing wherever we can to help meet that need.

DON TATRO (Executive Director, Builders Association of Northern Nevada; Executive Director, Nevada Home Builders Association):

The membership of over 1,000 I represent oppose S.B. 398 because, although well-intentioned, the bill will have many unintended consequences. I have studied multiple markets but have not seen a single instance where inclusionary zoning or rent control have increased attainability or lowered costs in the region. My members are concerned that, if enacted, their product will no longer be feasible.

The complexity and cost associated with inclusionary zoning and rent control will prohibit many members from offering attainable housing. Fees currently make up 25 to 35 percent of all multifamily housing units, and this bill will exacerbate attainability issues. The approach of inclusionary zoning and rent control is a vehicle to have a single industry solve a community issue, and it would be the wrong approach.

VICE CHAIR SCHEIBLE:

I am confused by your position, as the bill does not require anybody to implement inclusionary zoning or rent control measures. Are you suggesting you would rather see a bill that bans local governments from trying those options in their communities?

MR. TATRO:

The issue of inclusionary zoning and rent control is so complex that if enacted improperly it could have significant results. Enabling the legislation without any parameters could be problematic.

JOSH HICKS (Nevada Home Builders Association; Builders Association of Northern Nevada; Southern Nevada Home Builders Association):

There is no question about a significant affordable housing issue in Nevada. This is an area of concern for home builders that always strive to make product as affordable as possible. Every time prices go up, fewer people can afford a house, whether it is urban infill or suburbs or any other kind of housing.

The Nevada Home Builders Association was an active participant in the Committee to Study Issues Regarding Affordable Housing. Some of the comments we made were adopted by that Committee, and we are in strong support of some of the Committee's recommendations. The fee flexibility for affordable housing projects and the \$10 million in tax credits for affordable housing projects are things the industry supports. The industry is always looking for ways to encourage affordable housing.

The biggest concern we have with this bill, to Senator Scheible's point, is the broadness of it. We understand that things like inclusionary zoning, which is our main concern, can already be done in a variety of ways. We have seen those inclusionary zoning programs in other states not work the way they were intended.

The broad grant of authority to the local governments is a concern to us. We would rather see some sort of guardrails or parameters so we might have a better understanding of what kind of programs we might see. We have always stated on these kinds of programs that if they are incentivized, they are generally supported by industry. If they are mandated, they are not. The concern we have with this bill is that they could be either; it is up to the local government. The uncertainty brings us to the table in opposition today.

VICE CHAIR SCHEIBLE:

It sounds like you are asking the Legislature to put parameters on local governments. Does your organization have trouble working in partnership with local governments?

MR. HICKS:

I would not say there is trouble. Every local government is different, and local governments change over time. It would be easier for our members if there were at least some guidelines local governments could look at so that whatever the local government, we all know the parameters. The issue is the broad grant of authority allowing any kind of program on any kind of project. It seems that under the proposed language, affordable housing projects could be applied to typical affordable housing projects like urban infill as well as high-end developments.

VICE CHAIR SCHEIBLE:

Why would you not want to work with local governments to address specific issues? If the problem is that this is too broad, it seems that giving local governments the authority to tailor their programs to their specific areas would address that concern. You are asking the Legislature to anticipate problems that may not ever occur and try to implement policies, solutions seeking a problem, rather than solving problems that actually exist. What is it you want the Legislature to do to make it easier to work with local governments in solving the affordable housing crisis?

MR. HICKS:

As I mentioned, we have supported a variety of different pieces of legislation to deal with affordability. When we worked with the CSIRAH, no recommendations on inclusionary zoning came out of that Committee. That is the issue we have. We would like to have some idea of what local governments might be considering. What programs do they think are good? What programs

do they think are bad? We would like to see more details and not have it open-ended.

SENATOR GOICOECHEA:

As I look at the bill, it seems it would allow affordable housing projects to be incorporated into any development in any county or city. What concerns me is that a local government could put a 10 or 20 percent premium on every project and take it in cash, right off the top, to get the project approved.

MR. HICKS:

That is how we read the bill as well.

SENATOR GOICOECHEA:

That is the biggest concern I have. As the bill states in section 2, subsection 5 and section 4, subsection 5, " ... must not be construed to prohibit" a board of county commissioners or governing body "from accepting a payment of money in lieu of the performance of an obligation." Developers could buy their way out of any scenario if they wanted a permit and wanted to build. I assume the local government would create a fund dedicated to build affordable housing, but it would be better if that was included in the bill language. Otherwise, since it is open-ended, it could provide local governments with a slush fund.

VICE CHAIR SCHEIBLE:

This may be a question for the Legal Division, but slush funds are an abuse of public trust and power and also illegal, so if local governments set up slush funds with proceeds from payments in lieu of percentages of affordable housing, they would have a whole different problem to deal with.

SENATOR KIECKHEFER:

Is Senator Goicoechea's question whether the proceeds from payments in lieu of performance must be used for a program for affordable housing, or could they be used in a general fund for parks, pension liabilities or to meet other obligations?

SENATOR GOICOECHEA:

I do not see any prohibition against using the funds for any purpose. The funds might be accepted for uses related to affordable housing, but it does not mean that would ever happen.

KEVIN SIGSTAD (Nevada Realtors):

We have supported Senator Ratti and the CSIRAH on issues related to affordable housing and to find solutions. We generally support this bill, but it does allow any local government to institute rent control, which we are adamantly against. It has been demonstrated in many jurisdictions that rent control does not work. Rents are a function of supply and demand. When rent control is instituted, it immediately restricts the increase of rents, which benefits the existing tenants, but it limits the new supply of housing and does not address the underlying causes of a lack of affordable housing.

In 2008, there was more housing stock than tenants, and we saw rents go down. Currently, there are more tenants than housing stock, so rents are going up dramatically. We understand that and are here to work with the Legislature to come up with ideas to promote new affordable housing. We are generally in support of allowing local governments to come up with their own solutions, but we are against the broad language that would allow them to institute rent controls that we do not support.

SUSAN FISHER (Nevada State Apartment Association):

I am in agreement with the testimony provided by Mr. Sigstad. We will always be at the table in opposition to anything that would allow local governments to impose rent controls. If somebody had a Class C or Class D facility and wanted to make improvements to bring it up to a Class C, Class B or Class A facility, rent controls would be a disincentive to doing that. It is also a disincentive to building new apartment complexes. For those reasons, we would like to join the other 30 states in the Nation that have preempted rent controls.

VICE CHAIR SCHEIBLE:

Is rent control the sole issue you have with the bill?

Ms. FISHER:

Rent control is our primary issue. The inclusionary zoning issue is of concern as well but not as much as rent control. We did participate in the CSIRAH and were pleased with many of the resulting suggestions. Some of our suggestions were considered and brought forth this Session, but our biggest concern is rent control.

VICE CHAIR SCHEIBLE:

Is it your position that you cannot work with the individual local governments to avoid rent control being implemented where housing is unaffordable? Are you asking the Legislature to prohibit local governments from implementing rent control?

MS. FISHER:

Yes, we would like to see rent control prohibited. We do work with local governments on many different issues, but we would prefer to have rent control off the table.

SENATOR RATTI:

There was substantial, constructive engagement during the CSIRAH from all of the stakeholders. I think all parties would prefer incentives rather than mandates, but the fact is that in Nevada the market has not produced sufficient housing for all levels of income. It is not a small problem.

We have brought forward a number of bills to provide incentives through Low-Income Housing Tax Credits and fee waivers. The State plays an important role when it comes to providing funding so we can pursue those incentives as well as other things like applying for a 1915(i) Home and Community-Based Services waiver. This allows us to draw down federal Medicaid match dollars and do tenancy support for some of our most vulnerable populations. That is where the State shines, providing the resources to invest in something like a Low-Income Tax Credit or do the work necessary to apply for a Medicaid waiver and match those federal dollars to be targeted.

However, the State cannot do it all, and the market does not solve for this problem. We are not talking about a small number. Tens of thousands of people are rent-burdened in the State, and many are becoming homeless. David Frazier shared his personal story earlier. He is one of tens of thousands of people who can tell that exact same story or some version thereof. I cannot abide being in my community, talking to people, trying to find solutions along with all the parties at the table and me saying, "local government, that is your role," and local government saying, "the State will not let us do that." That is not fair to any of the people trying to solve these issues.

The intent of S.B. 398 is to untie the hands of local governments so they can leap into this with vigor and enthusiasm and bring forward innovation. One

example of this kind of innovation is the project in the City of Reno which used philanthropic dollars and gap funding from the Housing Division (HD) to provide a 200-room dormitory that is a retrofit of a work camp shipped down from Montana. Renters will pay \$400 per month in that project.

That is innovation, and there are many other innovative strategies that can be used. We have been tying the hands of local government, and the State has been caught in the middle. This is unfair to the local citizens, most of whom know their county commissioners and city council members better than their State Legislators. Citizens are more likely to work with locally elected officials to solve affordable housing issues.

One comment was made earlier in testimony that Committee to Study Issues Regarding Affordable Housing produced no recommendation on inclusionary zoning. That is true. We heard a presentation on inclusionary zoning, and the concept may work in some markets under some conditions, but the Legal Division told us that the law in Nevada already allowed local governments to pursue inclusionary zoning. Local government attorneys have said they do not interpret statute that way. This bill provides clarity and a call to action to local governments to address this problem.

I am open to looking at the fee in lieu of language. That is new law. In the Dillon's Rule conversation, we have not given fiscal control to local governments, so if we pursue fee in lieu of, I would be willing to put in some guardrails requiring that if pursued, funds would have to be put in an affordable housing fund to avoid any potential abuses.

CHAIR PARKS:

I will close the hearing on S.B. 398.

VICE CHAIR SCHEIBLE:

I will open the hearing on S.B. 473.

**SENATE BILL 473**: Revises certain definitions of affordable housing for the purpose of consistency. (BDR 22-377)

SENATOR RATTI:

Senate Bill 473 is a straightforward bill to be more consistent in how we define terms related to affordable housing in statute. The HD has the subject matter experts who will speak to the bill in more detail.

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

The genesis of this bill goes back to when the CSIRAH was getting underway in December 2017. A working group was formed, consisting of representatives from the U.S. Department of Housing and Urban Development (HUD), the Southern Nevada Regional Housing Authority, Reno Housing Authority, Nevada Rural Housing Authority, Nevada HAND and the Housing Division.

Collectively, the group decided to create three definitions of affordable housing. Two of them mirror programs available through the federal government, the HD and local public housing agencies. One is new and specifically addresses what is normally defined as workforce housing.

Once developed, we worked with the Legal Division to determine where these definitions would be appropriate in statute so as not to conflict with federal definitions or programs and cause unintended consequences. The work we have done mirrors federal statutes, which guided much of our development of this bill and what we do at the Housing Division.

Essentially, we took the term "affordable housing" and divided it up three ways. Section 2, subsection 1, of the bill defines "Tier one affordable housing." Tier one is housing for a household which has a monthly gross income not greater than 60 percent of the median gross income for the county in which the housing is located and which costs not more than 30 percent of the total monthly gross household income of a household whose income equals 60 percent.

Section 4 defines Tier two, which is housing between 60 and 80 percent of what I have just described. Not more than 30 percent of the total monthly gross household income goes toward the cost of the housing. Tier three is defined in section 3 of the bill and includes housing equal to more than 80 percent but not more than 120 percent of the median monthly gross household income.



We have created these three buckets which give us and local jurisdictions the ability to create programs, depending on the needs of each jurisdiction.

Lastly, section 23 of the bill, changes the name of the Account for Low-income Housing to the Account for Affordable Housing. While it may just be semantics, affordable housing affects a huge swath of the population, and it is not strictly a low-income problem.

SENATOR KIECKHEFER:

In section 14, subsection 1, paragraph (a), subparagraph (2) the threshold for applicants for rehabilitation of abandoned residential property was changed from 80 percent to 120 percent of the median gross income. Was the previous 80 percent cap based on federal statute, or are we allowing our statute to move up to the current federal level?

MR. AICHROTH:

The 80 percent number is where we are with our federal programs. This section mirrors the HUD HOME Investment Partnerships Program funding we receive, which goes up to 80 percent and cannot be exceeded in that particular program. My understanding is that this was done to allow for the third bucket, but our federal funding would not go into Tier three.

SENATOR KIECKHEFER:

If there is other funding available outside of HOME funding, could it be applied through this new definition of affordable housing, up to 120 percent?

MR. AICHROTH:

That is correct.

VICE CHAIR SCHEIBLE:

I notice in the bill that affordability includes the price of the housing and the utilities, which is important. In this day and age, would internet access be included in the utilities?

MR. AICHROTH:

I do not have an answer to that question, but there may be others in the room who do. Federal regulations define what constitutes rent and utilities, and we follow those regulations.

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MR. SIGSTAD:  
The Nevada Realtors are in support of S.B. 473.

MR. HENDERSON:  
The Nevada League of Cities and Municipalities supports S.B. 473. Clarity in the definitions is greatly appreciated.

MR. BREWER:  
The Rural Housing Authority and the Nevada Housing Coalition are in support of S.B. 473 and appreciate the clarity it provides. There is a lot of discussion about workforce housing and other related concepts but no definitions. This is the first attempt at defining Tier three, the range between 80 and 100 percent. That level of income currently receives no subsidy from federal programs, so defining it is helpful in allowing us to address needs in that range.

MR. PAULL:  
I will read my written testimony in support of S.B. 473 ([Exhibit F](#)).

MR. PICCININI:  
The Food Bank of Northern Nevada supports S.B. 473. Work related to affordable housing is difficult but will serve our clients and the community well.

MS. JEANS:  
The Washoe Legal Services, Southern Nevada Senior Law Program, Legal Aid Center of Southern Nevada and Volunteer Attorneys for Rural Nevada all support S.B. 473.

SENATOR RATTI:  
I believe there are 13 bills going through the Legislature on affordable housing and homelessness, and this has been the effort of many stakeholders and those serving on the Committee to Study Issues Regarding Affordable Housing, including Senator Kieckhefer. This important topic is getting the time and attention it deserves.

VICE CHAIR SCHEIBLE:  
I will close the hearing on S.B. 473.

SENATOR OHRENSCHALL:  
I will open the hearing on S.B. 367.

**SENATE BILL 367**: Authorizes a tenant of certain low-income housing to keep a pet within the tenant's residence. (BDR 25-750)

SENATOR MELANIE SCHEIBLE (Senatorial District No. 9):

Senate Bill 367 requires that affordable housing units be pet-friendly. Section 1, subsection 1 refers to "low-income housing," which will hopefully soon become "affordable housing." We will make that change when appropriate.

This bill does not impose serious or onerous obligations on owners and operators of affordable housing units. It simply offers a path forward to people who have animals in their care and who are in desperate need of affordable housing. It has been our experience working with animal shelters and organizations trying to address homelessness in this State that individuals who may have housing insecurities often care for animals, and those animals can be an incredible source of support and companionship. Moreover, those animals need homes too. Through this bill, we hope to ensure that no family ever has to choose between moving into an apartment and keeping an animal family member.

Section 2 of the bill provides the ability for landlords and operators to create reasonable pet policies. Animals that are a nuisance, vicious or exotic that people are not allowed to have in their homes anyway would not automatically be accepted into affordable housing units. This bill simply prevents affordable housing units from banning pets altogether.

I have a subject matter expert from the American Society for the Prevention of Cruelty to Animals with me who will provide more details on the bill.

SUSAN RIGGS (American Society for the Prevention of Cruelty to Animals)

As stated in my written testimony ([Exhibit G](#)), the American Society for the Prevention of Cruelty to Animals (ASPCA) is in support of S.B. 367 and has been working on removing barriers to keeping pets and people together. These barriers are found predominantly in housing.

There is a strong correlation between markets experiencing a housing crisis, like Nevada, and the ability for people to keep pets. This is particularly true in low-income households. Oftentimes when people are evicted for financial reasons or need to move for other reasons, they cannot find affordable

pet-friendly housing. This can create a nearly impossible task to find suitable housing. Nationally, the ASPCA has found that the No. 1 reason for relinquishment of animals to animal shelters is housing issues. We have found the same thing in Nevada. The Animal Foundation, located in Las Vegas, has been collecting statistics on why it is seeing relinquishments to its shelters, and the No. 1 reason is housing-related issues.

This bill seeks to ensure that low-income households in State-financed affordable housing can keep their pets. There is precedence for this in many other states. Since 2008, HUD has been implementing pet-friendly housing in its public housing. In 2011, HUD started implementing pet-friendly housing in all of its senior and disabled housing. Federal housing laws also require reasonable accommodation for service and support animals, which are not considered pets.

The bill provides for developers to put in place reasonable policies. These are consistent with what local laws have already accomplished, including limitations on the number of pets allowed and provisions regarding nuisance or dangerous animals.

SENATOR KIECKHEFER:

Are pet deposits or supplements charged to tenants and retained for potential pet-related repairs affected by this bill?

Ms. RIGGS:

Nothing in the bill would prohibit landlords from imposing security deposits. Generally, since we are dealing with lower-income households, we recommend that operators provide for installment plans and make the deposits reimbursable. There have been national studies indicating that households with pets do no more damage on average than households without pets.

SENATOR KIECKHEFER:

If someone is eligible for tenancy in a unit that can only charge a maximum of 60 percent of the monthly average income, would the pet deposit be on top of that amount, or would the rent have to be reduced to stay within that cap?

Ms. RIGGS:

The deposit is charged separately and apart from the rent, and there are no limitations under the law for affordable housing deposits versus unaffordable

housing deposits. There are some general limitations on what can be charged for deposits.

SENATOR KIECKHEFER:

The limitations remain on the monthly rent, but any security deposit is outside of those definitions?

Ms. RIGGS:

That is correct.

SENATOR SCHEIBLE:

There is an opportunity for bad actors to impose unreasonable pet deposits. It is our hope that they would not do that. It is my legislative philosophy not to put solutions into statute for problems that do not exist. This question can be revisited in the future if this bill becomes law and this problem arises.

SENATOR KIECKHEFER:

Have you done a sampling of available units to find an approximate percentage of those that do not accept pets to determine if we are attempting to solve a problem that exists?

Ms. RIGGS:

I do not have an exact number, although we have conducted research attempting to determine that. Every development in the State is required to take some form of animals through fair housing laws. To some degree, all landlords have that requirement. All of the HUD-funded projects I mentioned earlier are pet-friendly.

SENATOR OHRENSCHALL:

If this were to pass, would affordable housing units be required to retrofit? Would this apply equally to new and existing construction?

Ms. RIGGS:

I am a former state and local housing official and have substantial experience in affordable housing, including in the design and function of affordable housing. When developers build affordable housing, they generally take into account what their pro forma operating needs are going to be over time, and they will typically front-load the finishes within the development to ensure longevity. This approach ensures that they will not have to replace flooring, countertops and

other finishes with each new tenant. Few, if any, developments would need to make modifications to allow for pets. Some exterior improvements such as pet runs might need to be made.

SENATOR GOICOECHEA:

It appears this bill applies retroactively. Would projects that ever received money from the Account for Low-Income Housing have to comply with this law? If so, would operators necessarily know if the developer had ever received that funding?

Ms. RIGGS:

If enacted, this law would go into effect January 1, 2020. Any project financed after that date, including existing housing being rehabilitated, would be subject to this new requirement.

SENATOR GOICOECHEA:

Section 2 of the bill states: "The provisions of this act apply to any rental agreement entered into before, on or after January 1, 2020."

SENATOR SCHEIBLE:

We can work with the Legal Division to clarify the language to make sure my intention is reflected. The intent is for all affordable housing units to start accepting pets after January 1, 2020, even if the building was built before that time. It does not mean that a unit would have to retroactively approve applications previously denied, but moving forward, developers or operators would have to allow pets in any housing unit funded with low-income housing funds.

SENATOR GOICOECHEA:

When low-income housing funds are used, part of the package will be to allow for pets. For an existing project that received low-income housing funds ten years ago, are we changing the rules?

SENATOR SCHEIBLE:

From January 1, 2020, all new laws would be implemented, including this one.

SENATOR GOICOECHEA:

Even if the project took low income housing money in 2010?

SENATOR SCHEIBLE:  
Yes.

JEFF DIXON (Nevada State Director, Humane Society of the United States):  
We are in support of S.B. 367. We recognize Ms. Riggs' expertise in this space. Her written testimony cites many credible sources. This issue goes beyond low-income housing. Pet-restrictive policies are unnecessary. Many of the pet-related concerns operators have are unfounded. Responsible pet ownership is the key.

MR. PICCININI:  
The Food Bank of Northern Nevada is in support of this bill. Many of our clients are shut-ins or seniors with limited mobility. When we get pet food into our warehouse, it does not last long. Pets are an important part of maintaining some of our clients, especially seniors and the disabled.

CHAIR PARKS:  
Seeing no further testimony, I will close the hearing on S.B. 367 and open the hearing on S.B. 464.

**SENATE BILL 464**: Revises the Charter of the City of North Las Vegas.  
(BDR S-1154)

MS. GOLDBERG:  
The purpose of this bill is to modernize charter language for the City of North Las Vegas, bring it in line with our sister cities across Nevada and increase efficiencies.

RHIANN JARVIS DENMAN (Deputy City Attorney, City of North Las Vegas):  
The changes in this bill were proposed after the City Attorney's Office noticed some issues in an application of the City Charter. Discussions with stakeholders and staff resulted in the modernized and clarifying language of the bill. This language was presented at the October 17, 2018, City Council meeting and then approved to be submitted as a bill to the Legislature at the December 5, 2018, City Council meeting.

The changes in this bill will help improve efficiency and ensure quality municipal services to both residents and businesses in our community. The most substantive changes are to the three branches of government: Article II, the

Legislative Department; Article III, the Executive Department; and Article IV, the Judicial Department. There are other minor changes throughout the bill.

As indicated in my written testimony ([Exhibit H](#)), section 1 clarifies that the Mayor has administrative duties. The language of the bill states that the Mayor has no administrative duties which is inaccurate because the Mayor is the signing authority for the City and does sign contracts, resolutions and ordinances that are approved by the City Council.

Sections 2 and 3 contain minor, modernizing language.

Section 4 is regarding special meetings. Currently, the Charter only allows the hearing of emergency purchases at special meetings. This change would allow for the City to hear other business at the time a special meeting is called if it is in accordance with the Open Meeting Law.

This added language is not novel; it mirrors the Henderson City Charter language. It would be a benefit to the City if matters other than emergency purchases could be heard when special meetings are called. The City is dedicated to making sure that business is running smoothly and efficiently and that businesses coming in can open up as quickly as possible. This bill would allow developers to have contracts heard at special meetings.

Section 5 of the bill changes the procedural language for enacting ordinances. Currently, the language is unclear, and there have been misinterpretations. We want to make sure the procedure is clearly outlined and that when an ordinance first comes to Council, it is introduced by reading the title to the Council. At the second meeting, the bill can then be voted upon, along with amendments brought forward by the Council. Action on ordinances can also be delayed to the third meeting, at which time action can be taken without the bill having to be reintroduced.

Sections 7 through 10 of the bill include additional clarifying language.

Section 11 would change provisions related to suspending or removing the City Manager. The new language would point everyone to the employment agreement with the City Manager. In the City, there are two appointed positions, the City Manager and the City Attorney. These positions are appointed directly by the Council, and both have employment agreements with



the City. The manner in which these positions are vetted and the revised procedures regarding suspension and removal are shown in [Exhibit H](#).

Section 12 pertains to the duties of the City Clerk, as described in [Exhibit H](#).

Section 13 addresses the process for the removal of the City Attorney and points to the employment agreement for that position so that termination proceedings would be done in accordance with that agreement.

Section 14 includes minor changes. Section 15 is a new section that would be under the Judicial Department of the Charter, as described in [Exhibit H](#). Judge Sean Hoeffgen is here to testify on that portion of the bill.

SEAN HOEFFGEN (Municipal Judge, City of North Las Vegas):

Section 15 is related to creating Hearing Commissioners. Since fiscal year (FY) 2017, we have had a 15 percent annual increase in the number of traffic citations or cases filed in the North Las Vegas Municipal Court. Individuals coming to the Court to schedule court dates are having to wait approximately three months.

I have been informed by the City that since FY 2017, the City of North Las Vegas has hired at least 60 new police officers who are responsible for issuing traffic citations to individuals for infractions within the City of North Las Vegas. Cited individuals are expected to make their appearance in Court, whether in person, online or by other means.

CHAIR PARKS:

Would Hearing Commissioner positions be equivalent to district court Special Masters?

JUDGE HOEFFGEN:

No, Hearing Commissioners would have the duties entitled to them as specified in section 15 of the bill. They would be duly licensed attorneys in good standing with the State Bar of Nevada. They would have the same responsibilities, duties and rights that I would if in that particular court session. Their authority is similar to that of a pro tempore judge.

SENATOR OHRENSCHALL:

What kinds of citations or offenses do you see these Hearing Commissioners presiding over? If someone disagreed with a ruling, would they appeal to the Municipal Judge?

JUDGE HOEFFGEN:

The types of violations Hearing Commissioners would handle are specified in section 15 of the bill, specifically misdemeanors found in chapters 484A to 484E of NRS, except NRS 484C.110, as well as misdemeanors defined in the North Las Vegas Municipal Code, except sections 10.28.020 to 10.28.060. For the most part, these misdemeanors are traffic-related.

If people feel they are not guilty of an infraction, they have the right to set the matter for trial. That trial would be heard by a Hearing Commissioner, and the ruling would be binding on the parties, who would have the right to appeal to the Eighth Judicial District Court.

Ms. DENMAN:

Sections 16 through 20 contain clarifying and modernizing language.

CHAIR PARKS:

When the City Manager is hired, my assumption is that he or she is retained by the Mayor. Is there a ratification by the City Council? What is the process?

Ms. GOLDBERG:

The City Manager and City Attorney are both contract employees hired by the City Council and ratified by the City Council publicly. Those are the only two positions with negotiated contracts. They are excluded from the ordinance, as they have abilities other employees do not have.

CHAIR PARKS:

I will close the hearing on S.B. 464.

VICE CHAIR SCHEIBLE:

I will open the hearing on S.B. 462.

**SENATE BILL 462**: Revises provisions relating to constables. (BDR 20-754)

SENATOR DAVID R. PARKS (Senatorial District No. 7):

Senate Bill 462 revises certain requirements for constables in certain townships to become certified as category I or category II peace officers as a condition to running for office. The bill also provides for appointment and compensation of deputy constables to be subject to the approval of boards of county commissioners. The bill revises fees a constable receives and changes the office of constable to a nonpartisan office. Jeff Wells, Assistant County Manager from Clark County, will provide additional details on the bill.

JEFF WELLS (Assistant County Manager, Clark County):

There are 14 elected constable offices in Nevada. Eleven are in Clark County, and the other three are in Incline Village, East Fork Township in Douglas County and the Hawthorne Township in Mineral County. Within Las Vegas, the largest is the Las Vegas Township run by the Las Vegas Metropolitan Police Department. The next two urban townships are North Las Vegas and Henderson. Each of those operates as an enterprise. As such, those constables are paid a salary, and the process of running those offices involves the use of enterprise funds.

The eight rural townships have elected constables, but they effectively run like small businesses. Each of those constables has the right to serve papers and be paid fees consistent with the statutes the Legislature has adopted, or they can hire deputy constables and split fee payments as they choose.

Because Clark County has most of the constables, it has had most of the problems. For example, 1 constable spent a fund surplus of nearly \$6 million over the course of 4 years. During his tenure, he hired friends who were not Peace Officer Standards and Training (POST)-certified and paid them six-figure salaries. Ultimately, he was criminally charged after leaving office. More recently, just this past year, the Henderson constable was indicted by the grand jury for misuse of public funds. Other constables have been accused of abuse of power within their offices. With this bill, we hope to provide a series of tools the counties can use to help control and avoid some of these kinds of problems in the future.

I will read from the friendly amendment you have been provided ([Exhibit I](#)). Section 1 of the bill requires that the elected constable for townships whose population is over 15,000 be POST-certified within 6 months of being elected. This includes Boulder City and Mesquite. Constables in townships over 100,000

would have to be POST-certified before filing for office. Section 1 also includes provisions for filling a vacant constable position within 60 days.

Section 2 adds certification requirements regarding POST-certification for deputy constables, as outlined in [Exhibit I](#), as well as how constable compensation is handled with enterprise funds. This applies only to Las Vegas, North Las Vegas and Henderson. The election of the deputy is reserved for the elected constable, but the pay structure must be approved by the board of county commissioners. Section 2 also clarifies that only POST-certified officers would be allowed to carry weapons.

Section 3 of the bill makes clarifying changes regarding fees. Constable offices are entitled to receive a fee for serving any summons in a civil case, not just the original complaint that started a case. It also clarifies fee payments would be available for serving any order of the court. Section 3 also changes the language to match practice with the Sheriff's Civil Division. If constables are out taking care of property based on an execution or attachment, the compensation would be based on time and expense, without trying to determine the exact cost to the penny.

This bill also includes a small increase for collections of garnishment. The first \$3,500 stays at 2 percent, which is what the law states. For those above \$3,500, the rate is increased from 0.5 percent to 1 percent.

Section 3, subsection 5 of [Exhibit I](#) contains an important change. Statute states that constables only have to turn over their fees to the counties on the fifth day of the following month. For urban, enterprise fund constables, the bill changes that to once per week to provide better control of the funds. This is current practice in the urban areas, even in the absence of this proposed language.

Section 4 makes the office of constable a nonpartisan office, similar to that of the sheriff.

SENATOR GOICOECHEA:

It appears there is not a population cap for counties, so this bill applies to all 17 counties, and we dropped the township population from 100,000 to 15,000. So every township in the State with a constable is now at a 15,000 cap, which would not apply to most rural counties, since most rural counties do not have

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constables. However, boards of county commissioners can put them in at will, if they choose. Is this correct?

MR. WELLS:

That is correct. The 15,000 cap reflects the 2013 statute. This was increased to 100,000 in 2015, and we are asking that it be restored to 15,000.

SENATOR GOICOECHEA:

If boards of county commissioners decide to install constables, the requirement that they receive either category I or category II POST certification is good. Constables should have some level of skills.

CHUCK CALLAWAY (Las Vegas Metropolitan Police Department):  
We are in support of S.B. 462.

SENATOR PARKS:

This bill represents a good compromise on a number of issues relative to constable offices.

VICE CHAIR SCHEIBLE:

We will close the hearing on S.B. 462.

Remainder of page intentionally left blank; signature page to follow.

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CHAIR PARKS:

Seeing no further comment, I will adjourn the meeting at 3:37 p.m.

RESPECTFULLY SUBMITTED:

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Steve Woodbury,  
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	10		Attendance Roster
S.B. 490	C	3	Senator Dallas Harris	Written Testimony
S.B. 490	D	2	Emily Ku / Nevada Commission on Minority Affairs	Written Testimony
S.B. 409	E	2	Senator Heidi Gansert	Supplemental Information
S.B. 473	F	2	David Paull / Nevada HAND	Written Testimony
S.B. 367	G	3	Susan Riggs / American Society for the Prevention of Cruelty to Animals	Written Testimony
S.B. 464	H	5	Rhiann Jarvis Denman / City of North Las Vegas	Written Testimony
S.B. 462	I	7	Jeff Wells / Clark County	Proposed Amendment