

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Third Session
May 6, 2005**

The Committee on Government Affairs was called to order at 8:15 a.m., on Friday, May 6, 2005. Chairman David Parks presided in Room 3143 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. David Parks, Chairman
Ms. Peggy Pierce, Vice Chairwoman
Mr. Kelvin Atkinson
Mr. Chad Christensen
Mr. Jerry D. Claborn
Mr. Pete Goicoechea
Mr. Tom Grady
Mr. Joe Hardy
Mrs. Marilyn Kirkpatrick
Mr. Bob McCleary
Mr. Harvey J. Munford
Ms. Bonnie Parnell
Mr. Scott Sibley

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Warren B. Hardy, Clark County Senatorial District No. 12

STAFF MEMBERS PRESENT:

Eileen O'Grady, Committee Counsel
Susan Scholley, Committee Policy Analyst
Michael Shafer, Committee Attaché

OTHERS PRESENT:

Bill Nicholes, Mayor, City of Mesquite, Nevada

Randy Robison, Legislative Advocate, representing the City of Mesquite, Nevada

Michael Lee, CVLE, President/Owner, Lee Brothers Leasing, Inc., Reno, Nevada

Dino DiCianno, Deputy Executive Director, Compliance Division, Nevada Department of Taxation

John P. Sande III, Legislative Advocate, representing the Nevada Franchise Auto Dealers Association

Mike Baughman, Legislative Advocate, representing the Humboldt Water Basin Authority and Lincoln County, Nevada

Allen Biaggi, Director, Department of Conservation and Natural Resources, State of Nevada

Chairman Parks:

[Meeting called to order and roll called.] We have three bills today, and we're going to do a work session. We have about a half dozen bills to push out in work session. With that, we'll go ahead and start and open the hearing on Senate Bill 20.

Senate Bill 20: Revises provisions governing certain county fair and recreation boards. (BDR 20-682)

Senator Warren B. Hardy, Clark County Senatorial District No. 12:

It's a pleasure to once again appear before this Body with a simple bill. It hasn't always been so simple in the past, but this session, it seems that we addressed all of the issues. There was no opposition to this. This bill simply allows the City of Mesquite to have a full-time seat on the Las Vegas Convention and Visitors Authority (LVCVA). By virtue of the fact that we're creating an additional seat for Mesquite, it also provides that Boulder City will now have a full-time permanent seat on the Convention and Visitors Authority. It's really that simple. Mesquite for years actually put quite a bit more into the Convention and Visitors Authority than some of the members that had full-time seats, and everyone has finally come to the realization that that needs to be corrected, and this bill corrects that.

We do have a technical amendment ([Exhibit B](#)). The language as written in the bill worked, but it was kind of a convoluted way of doing it. It was hard to

understand, so we spoke to the drafters on our side and got an amendment drafted, which Mr. [Randy] Robison will present. I just want to be here to lend my support to this concept. This will ensure that everybody who contributes and participates in the Convention and Visitors Authority gets full-time representation on that board. I think that's a good idea.

Bill Nicholes, Mayor, City of Mesquite, Nevada:

Basically, we are the front door to Nevada and Clark County. As people travel from the north, and with the gambling facilities in Utah virtually impossible to come to pass, we have many, many people coming through our town that need direction and focus as to where they're going. We've been growing at seventeen to twenty percent for the last ten years, and even with that increase, we'll still continue at fifteen to seventeen percent. We need representation just as you folks from your own districts come here. When you're here, it's much easier to do what needs to be done for your district.

We've been off of the LVCVA for two years. I feel that since I've been elected, in the two years that we've been off, we have not been able to get as much activity—not necessarily monetary, but of all types—into the City of Mesquite, and I feel strongly that it's time for us to be represented, as we are on the Regional Flood Control District, Regional Transportation Commission, and the Nevada Development Authority.

Randy Robison, Legislative Advocate, representing the City of Mesquite, Nevada:

As Senator Hardy mentioned, there is what's titled as a "clarifying amendment" to S.B. 20 ([Exhibit B](#)). As we worked through this with LCB [Legislative Counsel Bureau] staff, they recommended these changes to clarify just exactly how the bill would work. Let me make it clear that this does not change anything about the bill or anything about the way LVCVA currently operates. Under their recommendation, it makes it more clear how we divide up the representation. So, it would amend Section 1, page 2, by deleting lines 8 through 17 and inserting language. Basically, instead of saying "representation from the governing body to the largest incorporated city," or the second largest or the third largest, or the smallest, it would say, "the governing body of the incorporated city with the largest population," or the second-largest population and so on. They do this and define "membership," because they tie it to the census each ten years. By using the word "population," they feel there is more of a direct tie to the census than with using "the largest incorporated city" type language. That's the purpose of the amendment. It doesn't change anything about how the system currently operates.

Assemblyman Grady:

How does the county fit into this? Who else has members on the board?

Randy Robison:

As the bill is laid out in its current form, on page 2, it lists some numbers there, and I just want to go through that. Starting in Section 1, line 6, there would be two members from the board of county commissioners, two members from the governing body of the largest incorporated city, which would be Las Vegas, one member from the governing body of the second-largest—which would be Henderson—(d) is North Las Vegas, (e) would now be the City of Mesquite, and (f) would now be the City of Boulder City.

Bill Nicholes:

That's the same way that Regional Flood Control and Regional Transportation are established.

Assemblyman Goicoechea:

I'm surprised Boulder City hasn't opposed this amendment, because clearly they would be larger with land mass.

Bill Nicholes:

I've had several conversations with Mayor [Bob] Ferraro, and he is in total concurrence with both of us getting what we need.

Chairman Parks:

My observation is, having been a former employee of the Regional Transportation Commission, why didn't we simply use their wording? I don't see another incorporated city coming along to bump it up to fifteen any time soon.

Senator Hardy:

My understanding is that the amendment that we've offered today takes us closer to that kind of language, so that's the reason. I don't know why we didn't use the exact language.

Assemblyman Hardy:

I'm in support.

Chairman Parks:

If nobody else wishes to speak, we'll go ahead and close the hearing on S.B. 20. We'll go ahead and open the hearing for S.B. 321.

Senate Bill 321: Requires Department of Taxation to administer exemption for sales to nonprofit organizations to include motor vehicles transferred to nonprofit organizations. (BDR 32-1253)

Michael Lee, CVLE, President/Owner, Lee Brothers Leasing, Inc., Reno, Nevada:

The purpose of this bill is to extend to a lessor the same rights a nonprofit has when leasing a vehicle to a nonprofit organization. As the law stands right now, when I lease a vehicle to a nonprofit organization, they are exempt on the sales tax. Yet, the Nevada Department of Taxation doesn't believe that I am exempt. Because the title does not transfer to the nonprofit organization, I am charged for this, where the nonprofit organization isn't.

Many nonprofits enjoy the luxury of leasing. It is favorable to get them what they need for much less capital and much less outlay. Even in instances where I may donate the lease to a nonprofit, which happens on many occasions, they still believe that I should pay the use tax. This bill is to correct that.

Chairman Parks:

It seems to me that we dealt with this once before or somewhere previously. Do you have any history on this as to past legislative sessions? May it have come up during an interim session or study?

Michael Lee:

Two years ago, we dealt with extending this nonprofit to leasing companies for dealing with states, municipalities, or counties. In those instances, they were also charging me for leasing to them, and I became exempt under the last issue.

Dino DiCianno, Deputy Executive Director, Compliance Division, Nevada Department of Taxation:

The Department is neutral with respect to the bill. I believe there needs to be a little clarification. I realize that Mr. Lee did provide a concise explanation of the bill. I think it's important to understand that when we issue an exemption to a nonprofit, they are exempt from sales and use tax on the purchase of any tangible personal property. However, what that means is that when that nonprofit purchases that tangible personal property, they receive title to that property. They had possession and title. With respect to use tax, under a lease, that nonprofit does not get title to that tangible, personal property. Therefore, the use tax is old. The genesis of the bill is to provide that exemption under the use tax scenario. That's the purpose of the bill.

Chairman Parks:

I have a couple of questions. Committee members?

Assemblyman Goicoechea:

I see there is a fiscal. Do we have that?

Chairman Parks:

We do not have a fiscal reference made here, that there may be a fiscal impact. Are you familiar as to the potential fiscal impact?

Dino DiCianno:

Yes, there is a fiscal impact. However, I can tell you that, given the sale to a nonprofit organization, there is no fiscal note with respect to that, because that isn't an exempt sale. That currently exists. It is the use tax portion that would be exempted under the provisions of this bill. I can tell you that not all nonprofit organizations lease vehicles. Some of them are gifted to them. Some are given to them. Based on the information in our conversation with Mr. Lee with Lee Brothers Leasing, this is not a common occurrence with these types of entities. The use tax consequence, in our opinion, would be de minimis.

Chairman Parks:

I have one further question on the streamlined sales tax. This is completely in compliance with streamlined sales tax provisions?

Dino DiCianno:

That is correct.

Chairman Parks:

We'll go ahead and close the hearing, and we'll open the hearing on S.B. 356.

Senate Bill 356 (1st Reprint): Revises provisions governing amount of sales and use taxes due on retail sales of vehicles for which used vehicles are taken in trade. (BDR 32-1106)

John P. Sande III, Legislative Advocate, representing the Nevada Franchise Auto Dealers Association:

I'm requesting your support of S.B. 356. It's kind of complicated, but we'll start from the beginning. Under existing Nevada law, when you trade in an automobile, you get approximately 5 to 5.5 percent exemption from the sales tax. The total sales tax is 7 to 7.5 percent depending on local option. Two percent of that, though, is the state portion, which was adopted in 1955. That can only be changed by a vote of the Legislature. If you're going to make any changes to the 2 percent, you have to go to a vote of the people. The

Legislature determined that when you trade in an automobile, you shouldn't have to pay sales tax on it. So, that's the local portion, which is the 5 to 5.5 percent exemption that you get. So, you still pay on the 2 percent.

[John Sande, continued.] As of last session—and this came in the Senate Taxation Committee—to comply with this new, simplified sales and use tax agreement that the various states have, you have to have uniform exemptions. So, you either have to allow for a total exemption on a trade in of a car, or you have to fully tax it. You can't go and have part and part. You can't have 5 percent and 2 percent like we have currently.

So, as a result of that, they decided that they ought to take a number of exemptions and go before the voters and get their approval. That included such things as purchasing parts and engines for NASCAR [National Association for Stock Car Auto Racing], and also the art exemption that Steve Wynn had asked for a long time ago. You also had it on farm equipment and a couple of other types of exemptions. So, they put them all on one question on the ballot and said, "Do you want to have an exemption for these things so that we can eliminate the two percent tax?" It was Question 8 on the ballot. It was very confusing to the voter. It was confusing to everybody. So, as a result, it was defeated. Fortunately, the bill that did this said that the 5 to 5.5 percent exemption would not be eliminated if the voters turned down the two percent until January 1, 2006.

Now what we're doing in this arena as far as trade-in—and also I know that they're doing it for farm equipment—is to say, "Let's go and have one ballot question. Let's keep the 5 to 5.5 percent exemption in place until the vote of the people in November of 2006. Maybe we can explain it to them a little bit better to see if they indeed want to have an exemption when they trade in a used vehicle for a new car or for a used car. I think that you will find that it will be very well received by the vote of the people, if we adequately explain it to them.

On behalf of the Nevada Franchise Auto Dealers, we are very interested in this. We spent a substantial amount of money last time trying to educate the voters, but unfortunately, we were the only ones, and it didn't get too much publicity. This time we thought, let's go back and ask for this again, and that's what we're doing here. This bill basically says, "We'll keep the 5 to 5.5 percent exemption in place until a vote of the people, and we'll ask them whether or not they want to have this exemption and whether or not it should be expanded, so you would pay absolutely no tax when you trade in a used vehicle.

Assemblyman Sibley:

I would just like to say I support this in this form. The last time, it was very confusing. We did have the medical goods and the farm equipment. We've seen a few of these bills go separately, and I think it would be nice to have the voters decide on their individual merits instead of the whole group of items.

Chairman Parks:

I know that there was very little publicity on Question 8 last year, and there were a few display ads in the paper for the Franchise Auto Dealers, but there was a lot of educating to do and certainly not enough support in doing that education effort.

Assemblyman Goicoechea:

Are you guys addressing the fiscal note on the Senate side? Has it been through Senate finance? Or do you even need to?

John Sande:

I believe it did go through Senate Finance on the other side. It was referred to Senate Finance, so they have reviewed this, and fortunately, the fiscal note doesn't kick in until January of 2006 in any event. So, we're only talking about an eleven-month period before the vote of the people. It is in effect until January 1, 2006, as to the nonstate portion—the 5 percent—so that's already been included, and any loss of revenue from this would not kick in until January 2006, but it did go to the Finance Committee on the Senate side.

Assemblyman Goicoechea:

I'm looking for support from my farm implement bill as much as anything else, so thank you.

Chairman Parks:

Apparently, it also was referred to the Committee on Taxation, and Taxation had two hearings on it. It enjoyed the full support of the Senate. We do have a fiscal note that was provided by the DMV [Nevada Department of Motor Vehicles].

Michael Lee, CVLE, President/Owner, Lee Brothers Leasing, Inc., Reno, Nevada:

We're the oldest used car dealer in the state of Nevada. We're part of the Independent Auto Dealers Association. We support this one hundred percent.

Chairman Parks:

The fiscal note indicates loss of revenue to DMV's 2 percent commission based on tax amount. They're projecting for a biennium of roughly \$26,000, or somewhere in the range of \$13,000 a year for this.

Assemblyman Goicoechea:

Just a question for you on the fiscal; I don't understand how that could be. Our farm implements are clearly less than used cars in this state, and we were considerably more than that.

Chairman Parks:

I think you're talking the full amount. DMV gets a percent commission for collecting the revenue and they are collecting a decreased amount—hence, revenue for their own projects. I think that they pretty well understand that when you trade in a vehicle, you pay dollar for dollar as for what the tax is that you're paying.

We'll close the hearing on S.B. 356, and that concludes our posted bills for the day. We're ready to do a work session, and we'll start with S.B. 30.

Senate Bill 30 (2nd Reprint): Authorizes certain cities to impose surcharge on access lines and trunk lines of telephone companies for enhancement of telephone system for reporting emergencies. (BDR 21-740)

Susan Scholley, Committee Policy Analyst, Legislative Counsel Bureau:

[Distributed Exhibit C.] Senate Bill 30 in its second reprint, sponsored by Senator McGinness, was heard in this Committee on May 4. Senate Bill 30 allows general law cities in Clark County with a population less than 50,000—which is code for Mesquite—to impose a surcharge on local telephone service to provide enhanced 911 services. The surcharge must be used to enhance the system so that it can identify the number and address from which an emergency call was received. Before imposing the surcharge, the city must adopt a five-year master plan, which must also include an estimate of the cost of the service, and the city must also establish an advisory committee to oversee the fund, and the surcharge monies must be kept in a separate revenue account. Testifying in support of the bill were Senators Hardy and McGinness, representatives from the City of Mesquite, and representatives from Verizon and T-Mobile. Rio Virgin Telephone Company testified in opposition to the bill on the basis that the bill is unnecessary since emergency 911 services already exist, the bill is discriminatory, because wireless and cable services are not subject to the surcharge; and the imposition of the surcharge should require a vote of the people.

As far as amendments go at the hearing, Mesquite asked for the language on page 2, lines 26 through 27, that reads, "During the first year that the

surcharge is collected, it may not increase by more than 2 percent each year thereafter” be deleted, as was agreed upon on the Senate side, so that the 25 cent monthly cap is the operative limit on the surcharge. The measure passed unanimously in the Senate, and there’s no identified fiscal impact.

ASSEMBLYMAN HARDY MOVED TO AMEND AND DO PASS
SENATE BILL 30.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chairman Parks:

The next bill is Senate Bill 35.

**Senate Bill 35: Revises provisions governing certain transfers of water.
(BDR 48-425)**

Susan Scholley, Committee Policy Analyst, Legislative Counsel Bureau:

Senate Bill 35 was sponsored by the Senate Committee on Natural Resources on behalf of the Legislative Committee on Public Lands and heard in this Committee on April 21. Senate Bill 35 changes the current tax that may be imposed on intercounty or interstate water transfers to a fee and increases the fee from \$6.00 per acre foot to \$10.00. Testimony in support of the bill was given by Mike Baughman, representing the Humboldt River Basin Water Authority and Lincoln County. Also testifying in support were the Southern Nevada Water Authority and Churchill and Eureka Counties. There was no testimony in opposition.

Subsequent to the hearing, Mike Baughman, with the concurrence of Senator Rhoads, has proposed a postponement of the effective date of the fee increase until January 1, 2007. The remainder of the bill would be effective on July 1, 2005. The measure passed in the Senate with 20 yeas and Senator Hardy voting no, and there has been no identified fiscal impact. Mr. Baughman is here if you have any questions about the proposed amendment.

Assemblyman Claborn:

I’m on Public Lands, and we have various committee meetings on that. We have so many different things that we mess with, in regard to checkerboard property, sagebrush, and just so many other things. This is a very good committee, and

I'm sure that we have a fee here that scares me a little bit, but I hope everybody will support the bill.

Assemblyman Hardy:

Do we have some input as to why Senator Hardy voted against this?

Chairman Parks:

We might. I don't know if staff has any recollection.

Susan Scholley:

There was nothing in the Senate Journal, so there's no record of why the "no" vote, and I have not inquired.

Assemblywoman Parnell:

I apologize for not asking this during the hearing. I would just have to have confirmation. Since Carson City has five interbasin water transfers, I believe—that is the source of our water—and it says "may," we're the county of origin, and we want to broker these deals to get water to come in, if we say we're now going to charge you the \$10, doesn't that have a potential of diminishing our ability to generate those transfers? That's the question that I have; just an assurance that this would not affect Carson City's ability to create the transfers and, therefore, our water sources.

Mike Baughman, Legislative Advocate, representing the Humboldt Water Basin Authority and Lincoln County, Nevada:

First of all, I would note that this bill does not affect any surface water transfers, for Carson City, which I understand part of it probably is surface water, it would have no effect. This is groundwater only. Second of all, it is permissive, but in the case of Carson City, importing water would be permissive to the counties from which you are importing water from, to determine whether they wanted to impose the fee.

I would note that in the case where counties are cooperating, the second provision of this statute provides for these mitigation plans, and I think it's pretty much everyone's expectation that most entities would ultimately negotiate mitigation through cooperation. This is certainly the case with Southern Nevada Water Authority and Lincoln County. This just helps to establish a threshold; what's it worth, what are we negotiating against, and those types of things.

Assemblyman Goicoechea:

The fee is already in place at \$6.00 and truly has never been imposed anywhere in the state. So, it's an increase in the fee. Then again, it's only enabling legislation.

Assemblyman Sibley:

My question is that this is a fee increase. I'm just kind of curious as to where the Governor's Office is on this. They said they weren't going to sign any fee increases or tax increases.

Allen Biaggi, Director, Department of Conservation and Natural Resources, State of Nevada:

Given the date change that is proposed in Mr. Baughman's amendment, it's something that the Governor recognizes and can live with.

Assemblyman Hardy:

Do they have knowledge of the objection? Did it have something to do with Mesquite having to potentially pay more money to get water from Lincoln County if it comes in? Is that the rationale for the Senator's opposition?

Allen Biaggi:

I can't speak specifically for Senator Hardy, because he did not offer that specific comment in his testimony. I was at the Senate hearing, and I would suggest to you that what I heard was that he had a general concern about simply imposing a fee on a public resource. It was a very short statement that he made on the floor. Having said that, I can tell you that there has been some ongoing discussion between the Virgin Valley Water District—not so much in the City of Mesquite, but the Virgin Valley Water District—and the Virgin Valley Water Authority, about how to best serve the Lincoln County area. That's a 13,000-acre development that's going on in Lincoln County immediately north of the City of Mesquite. Those discussions are ongoing.

Chairman Parks:

I'm wondering if Senator Hardy's concerns were based on this Lincoln County issue as well as the effective date. Maybe that was a major concern for Senator Hardy.

We're changing the word "tax" to "fee." We're making that change effective July 1, which is immediately, versus the other rate increase later. Would it be easier to simply make everything effective at the later date?

Mike Baughman:

Part of the reason for coming forward with the request—which was originally at the Natural Resources Committee, and then it went here—to change the language from “tax” to “fee” was concern about the ambiguity or the subsequent legal challenges that might result from parties claiming that they were tax exempt. Obviously, many local governments are tax exempt. That was a principal reason for going forward, to change that from “tax” to “fee”, so we really didn’t have to deal with that overtime.

The reason we would like to have that part of it take effect July 1 is because, as I mentioned, parties are now beginning to enter discussion leading into negotiations under the second provision of the statute. If that language were not changed effective July 1, that ambiguity would remain, and we might have to enter litigation to determine whether we should even enter into negotiations. It’s speculation whether that would be the case or not, but we think changing it now signals to all parties that you do need to sit down at the table if you are in this category and begin the process of talking about a mitigation plan, and go forward from there. We are in that period now where those discussions do need to be taking place.

Assemblyman Hardy:

I’ll probably be voting for this and reserve the right to do some more research.

ASSEMBLYMAN GOICOECHEA MOVED TO AMEND AND DO
PASS SENATE BILL 35.

ASSEMBLYWOMAN PARNELL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chairman Parks:

Our next bill in front of us this morning is S.B. 112.

Senate Bill 112: Requires State Controller to apply fee for returned checks to other methods of payment that are returned or dishonored. (BDR 31-164)

Susan Scholley, Committee Policy Analyst, Legislative Counsel Bureau:

Senate Bill 112, sponsored by the Senate Committee on Government Affairs on behalf of the state controller, and heard in this Committee on April 25. Senate Bill 112 will include the dishonoring of any form of payment within the required \$25.00 return check fee provision currently in law. Senate Bill 8 of the

20th Special Session required the imposition of a \$25.00 return check fee, but did not specifically apply the fee to other forms of dishonored payments, so this bill will correct that. This bill was concurrently referred to the Assembly Committee on Ways and Means. The only testimony on the bill came from the State Controller's Office, which was obviously in support. No amendments were proposed, the measure passed unanimously in the Senate, and there is no identified fiscal impact.

ASSEMBLYMAN McCLEARY MOVED TO DO PASS
SENATE BILL 112.

ASSEMBLYMAN CLABORN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chairman Parks:

The next bill we have in front of us is S.B. 130.

Senate Bill 130 (1st Reprint): Repeals prospective expiration of authority of Director of Department of Information Technology to classify certain records of Department as confidential. (BDR 19-608)

Susan Scholley, Committee Policy Analyst, Legislative Counsel Bureau:

Senate Bill 130 in its first reprint, sponsored by the Senate Committee on Government Affairs on behalf of the Department of Information Technology, was heard in this Committee on May 5. Senate Bill 130 would repeal the expiration date on Section 27.5 from Assembly Bill 441 of the 72nd Legislative Session. Section 27.5 from A.B. 441 of the 72nd Legislative Session, which I've attached to the work session document ([Exhibit C](#)), allows the Department of Information Technology to classify certain documents related to acts of terrorism as confidential and sensitive and, therefore, not subject to public inspection. The only testimony on the bill was from the Department of Information Technology in support. No amendments were proposed, and the measure passed unanimously in the Senate with Senator Washington excused that day. There was no fiscal impact identified at the state or local level.

Assemblywoman Parnell:

I just had to testify on a bill yesterday. I just am looking at the original bill and the reprint. I'm assuming today that we're voting on the first reprint. We are only addressing the issue of the date. If you look at the original, it had quite a

lot of other issues in it. I just want to confirm that that's a correct assumption: all of the additions are out, and this is simply an extension of the date.

Susan Scholley:

That is correct. You're just voting on the first reprint, which is simply repealing the expiration date on Section 27.5.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO DO PASS
SENATE BILL 130.

ASSEMBLYWOMAN PIERCE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chairman Parks:

The next bill we have is Senate Bill 210.

Senate Bill 210 (1st Reprint): Revises provisions governing county-owned telephone systems. (BDR 58-741)

Susan Scholley, Committee Policy Analyst, Legislative Counsel Bureau:

Senate Bill 210 in its first reprint, sponsored by Senator McGinness, was heard in this Committee on April 28. Senate Bill 210 provides that a county-owned telephone system is subject to an assessment by the PUC [Public Utilities Commission of Nevada] for the fund for universal service. The fund for universal service maintains the availability of telephone service. Further, the county-owned telephone system may receive money from the fund. The county commission may create a separate corporation to provide certain unregulated services, and if a county telephone system provides communication services outside the county, that communication service is subject to the same federal, state, and local laws and requirements as any private company. The bill provides that a county may not use general fund money for such service, and it may not engage in a transaction between separate entities controlled by the county upon terms more favorable than those provided to other entities. The bill also establishes procedures for the valuation of a county-owned telephone system in the event such a system is leased or sold, and also a procedure for conducting such negotiations on leasing or selling.

Testimony in support of the bill was provided by Russell Rowe on behalf of CC Communications, formerly the Churchill County Telephone Company. The City of Fallon also testified in support, and there was no testimony in

opposition. There were no amendments proposed. The measure passed unanimously in the Senate, with Senator Care excused that day. It may have a fiscal impact on local government and state government; there was also an identified fiscal impact.

ASSEMBLYMAN McCLEARY MOVED TO DO PASS
SENATE BILL 210.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chairman Parks:

We have one more, and that is S.B. 408.

Senate Bill 408 (1st Reprint): Revises provisions governing Virgin Valley Water District. (BDR S-1161)

Susan Scholley, Committee Policy Analyst, Legislative Counsel Bureau:

Senate Bill 408 in its first reprint, sponsored by the Senate Committee on Government Affairs, was heard May 4 in this Committee. Senate Bill 408 is similar to existing provisions currently provided for the Las Vegas Valley Water District and the counties. Senate Bill 408 will permit the Virgin Valley Water District to collect its delinquent water service charges through the county treasurer on the tax bills for the property. Testimony in support of the bill was given by Senator Hardy. No amendments were proposed, the measure passed unanimously in the Senate. There was a "may have fiscal impact" identified at the local government level, but no impact at the state government level.

ASSEMBLYMAN McCLEARY MOVED TO DO PASS
SENATE BILL 408.

ASSEMBLYMAN CLABORN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chairman Parks:

That concludes our work session for the morning. There's nothing else to come before us. We are adjourned [at 9:17 a.m.].

RESPECTFULLY SUBMITTED:

Michael Shafer
Recording Attaché

Paul Partida
Transcribing Attaché

APPROVED BY:

Assemblyman David Parks, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: May 6, 2005

Time of Meeting: 8:15 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
<u>S.B. 20</u>	B	Senator Hardy	Amendment to Clarify Language
	C	Susan Scholley / LCB	Work Session Document