MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON JUDICIARY
Seventy-Third Session
May 20, 2005

The Committee on Judiciary was called to order at 8:22 a.m., on Friday, May 20, 2005. Chairman Bernie Anderson presided in Room 3138 of the Legislative Building, Carson City, Nevada, and, via simultaneous videoconference, in Room 4401 of the Grant Sawyer State Office Building, Las Vegas, 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. Bernie Anderson, Chairman
Mr. William Horne, Vice Chairman
Ms. Francis Allen
Mrs. Sharron Angle
Ms. Barbara Buckley
Mr. John Carpenter
Mr. Marcus Conklin
Ms. Susan Gerhardt
Mr. Brooks Holcomb
Mr. Garn Mabey
Mr. Mark Manendo
Mr. Harry Mortenson
Mr. John Oceguera

COMMITTEE MEMBERS ABSENT:

Ms. Genie Ohrenschall (excused)

GUEST LEGISLATORS PRESENT:

Senator Terry Care, Clark County Senatorial District No. 7

STAFF MEMBERS PRESENT:

Risa Lang, Committee Counsel
Allison Combs, Committee Policy Analyst
Jane Oliver, Committee Attaché

OTHERS PRESENT:

- Bryan Gresh, Legislative Advocate, representing Clark County Regional Flood Control District
- Stan Peck, Chief Legal Counsel, Regional Transportation Commission of Washoe County
- Jeff Fontaine, Director, Department of Transportation, State of Nevada
- Brian Hutchins, Chief Deputy Attorney General, Office of the Attorney General, Department of Justice, State of Nevada
- Kevin Bertonneau, Legislative Advocate, representing the City of Reno, Nevada
- James Wadhams, Legislative Advocate, representing the Nevada Association of Insurance and Financial Advisors
- David Kallas, Executive Director, Las Vegas Police Protective Association Metro, Inc., Las Vegas, Nevada
- Bob Maddox, Legislative Advocate, representing Community Associations Institute and the Nevada Trial Lawyers Association
- Michael Trudell, Legislative Advocate, representing the Caughlin Ranch Homeowners Association
- Cheri Edelman, Legislative Advocate, representing the City of Las Vegas, Nevada
- Marilyn Brainard, President, Wingfield Springs Community Association, Sparks, Nevada
- Jim Nadeau, Government Affairs Director, Nevada Association of Realtors, Reno, Nevada
- Renny Ashleman, Legislative Advocate, representing Southern Nevada Home Builders Association
- Karen Dennison, Legislative Advocate, representing Lake at Las Vegas Joint Venture

Chairman Anderson:
[Called the meeting to order and roll called.]

Senate Bill 326 (1st Reprint): Makes various changes to provisions governing eminent domain. (BDR 3-78)

Allison Combs, Committee Policy Analyst:
Senate Bill 326 was heard yesterday in work session, and staff was asked to put together a list of the changes that the Committee was working on, along with redoing the mockup that Ms. [Risa] Lang has created. The first area deals

with the new language regarding open space. The new language would replace the language currently in the bill. On page 86 of the Work Session Document (Exhibit B), Section 2, you will find the new language presented in the mockup, including the changes that the Committee discussed yesterday concerning the period of not less than 24 months. The mockup has also deleted the language regarding perpetuity and replaces it with "for not less than 50 years."

[Allison Combs, continued.] The other new language on page 87 (Exhibit B), in Section 2, subsection 3(b), reflects a proposal for the Committee's consideration from the Clark County Regional Flood Control District concerning an exception for flood control activities. Some suggested language is incorporated into Section 2, and the proposal submitted by Clark County is also included on page 94 (Exhibit B).

The second area discussed by the Committee yesterday, which is included in the mockup on page 88 (Exhibit B), is the new Section 3, regarding the right of first refusal. It would create a new section specifying the right of first refusal to purchase the property for the original owner or successor in interest, if the property is not used within a certain period of time. The Committee discussed increasing from 10 to 15 years that referenced period. It also specified that the amount must not exceed the price paid by the government entity and that there is an exception within those sections provided for conveyance of property to another government entity.

The fourth area the Committee discussed yesterday was adding a new section regarding the loss of goodwill. The section of the mockup from yesterday is set forth in the chart on page 84 (Exhibit B), on the left hand side. There was a proposal submitted—shortly after the hearing by Washoe County—to revise that section. Some of the nuances on the differences are highlighted for the Committee's consideration. I can go through a couple of those, if you would like.

The fourth area of concern was the two-thirds requirement and the condition of blight. There was a suggestion to clarify that it is at the time the redevelopment area was created versus the redevelopment project. The language on page 85 (Exhibit B) is what was submitted by the City of Reno shortly after the hearing. The language has been revised by Ms. Lang to reflect the concerns, and that appears at the top of page 91 of the Work Session Document (Exhibit B). Finally, make the effective date of the bill upon passage and approval.

Chairman Anderson:
Changing the effective date will not affect any of the questions regarding Ballardini Ranch. Ms. Lang, are there any other points that you need to bring to

our attention? On page 88 of the mockup (Exhibit B), in Section 3, subsection 2, "Seeks to convey the right, title, or interest in all or part of that property to any person within…" After review of the document this morning, Ms. Lang and Ms. Combs noted that the 10 years is still there, and it should be 15, which is what we talked about during Committee. They worked through the night. Everything was to us by midday yesterday and is in this document, and we're taking no other.

Assemblyman Mortenson:
Is the provision in here? I didn't hear it. I skimmed it and didn't see where it says that if one government entity condemns and then decides that it doesn't want to use it, it can go to a second government entity.

Chairman Anderson:
Ms. Lang, I believe we are talking about 2(c).

Risa Lang, Committee Counsel:
In Section 3, subsection 2, it used to say "to any person or governmental entity." We removed "governmental entity," so it is just if they seek to convey the right, title, or interest to any person.

Assemblyman Mortenson:
I don't mean to imply that local government could ever have anyone who might have ulterior motives or anything like that. Isn't it possible that a piece of property that is really wanted be condemned, with the exception of the flood control district, and the flood control district then decides it doesn't want it, so it lets it go to another government entity?

Chairman Anderson:
I believe that is covered in the discussion we had earlier. If the property was acquired by a government body that conveys it to another government body or agency, there's no problem. If that is a flood district, and they're moving it to another governmental district, then they are okay. If they're going to be moving it within that 15-year time period to a private individual, where there could be a profit made, then they would not be able to do that.

Assemblyman Mortenson:
What I am saying is that a flood district has almost no requirement. We have a lot of requirements in here for acquisition by any government entity, except we have given an exception to flood control. They seem to have carte blanche, or am I reading this incorrectly?

Chairman Anderson:
Ms. Lang, I am not sure specifically where Mr. Mortenson is reading from in the Work Session Document (Exhibit B). Could you please draw our attention to the particular phrase you're referring to? Ms. Lang, do you want to respond?

Risa Lang:
I think Mr. Mortenson is concerned about using the property for the same public purpose. If that is the case, I am not sure we have addressed that specifically. This has just taken out transfers between government entities.

Chairman Anderson:
Mr. Mortenson, could you please draw my attention to what you are referring to in the Work Session Document (Exhibit B)?

Assemblyman Mortenson:
Let me read through this thing again and see if I can make my case a little bit better than I have.

Chairman Anderson:
Mr. Horne, did you have a concern?

Assemblyman Horne:
I can't imagine a flood control district taking it. It is used in order to protect other properties from flooding conditions. If they are taking it for that, I don't see how, at some point in time, that property is not going to be needed again. It is either a situated piece of land to protect from flooding, or it isn't. They would have to make a decision that they don't want to protect certain properties anymore from flooding. I don't think it's a problem.

Assemblyman Mortenson:
You can protect many different ways. You could decide to increase and make a landfill, or you could decide to make a big hole in the ground for water retention, or you could have large channels. There are so many things you can do for flood control, and there are many options.

Chairman Anderson:
Do you want to take the flood control ability away, to have eminent domain relative to trying to avert the 100-year flood?

Assemblyman Mortenson:
No. I am just worried that if there are little restrictions on flood control acquisition of property for eminent domain, it is an open door for flood control to go in, acquire land, and then five years later say, "We'll do it a different way

over here instead, so we can pass this down to another division of local government."

Chairman Anderson:
Are you under the impression that we are broadening their powers?

Assemblyman Mortenson:
Yes. I thought that the powers of flood control were broadened considerably.

Assemblywoman Allen:
I see Mr. Mortenson's point. If the flood control district wanted to act in malice, they probably could try to get around the law we are passing here. The other option is not to include them. I think that, perhaps, not having the exclusion for the flood control district could be problematic for them, because they need to build those channels. There is a yes or a no. There is no in between.

Assemblyman Mortenson:
I agree. I am just pointing out that it could be a potential problem.

Bryan Gresh, Legislative Advocate, representing Clark County Regional Flood Control District:
These are very specific instances that are part of the master plan that are sought years in advance. Assemblyman Horne stated exactly what the issue is: these are looked at for flood protection.

Chairman Anderson:
What protections do you currently have? What ability do you have currently?

Bryan Gresh:
Eminent domain for us is through the member entities. We have none.

Chairman Anderson:
We don't have to put this in the bill. Are you asking us to open up a specific line that you do not currently have in and of yourselves?

Bryan Gresh:
Yes, with the exception that this would allow us to continue the aggressive program that is currently in place in southern Nevada.

Chairman Anderson:
It is through government entities. You currently utilize power through an elected governmental body?

Bryan Gresh:
That is correct.

Chairman Anderson:
If we didn't put this in, you would probably be able to do these things anyway, except you would have to go through one of the elected governmental bodies in order to do it.

Bryan Gresh:
Yes.

Assemblyman Mortenson:
I am still concerned, but I have no questions.

Assemblyman Mabey:
I agree with Mr. Mortenson. Why couldn't we include that if it isn't used for a water district, then it would revert back? I am concerned that the government will say, "Hey, here is a loophole. We can say we're going to use this for a water district and then change our mind, and it will go to a different government entity." If it isn't used for water by the water district or the flood control district, then it would revert back to whomever the property was taken from.

Risa Lang:
I think, perhaps, that I was misunderstanding the question, but the question concerning flood control, which is addressed in Section 2 on page 86 (Exhibit B), refers to when an agency may exercise the power of eminent domain. It's saying that, for these specific types of projects, the requirements of this section are what you need to do so that open space won't apply. So, you would go under the regular provisions that currently exist for obtaining property for that purpose. I thought that what you were addressing was in Section 3 (Exhibit B), which says that if you fail to use a property, and then you seek to convey it within a certain amount of time, that you allow the person from whom it was acquired to have the right of first refusal. Yesterday, the suggestion was that you take out government entities, so that if they don't use that, they could transfer it to each other. So, that is not just flood controls. I guess that would be for any government entity that is able to acquire property. If they don't use it for that purpose, then they could transfer it to another government entity. I just wanted to clarify that, in case I am misunderstanding where the concern is.

Assemblyman Holcomb:
This is addressed to Ms. Lang. Can you state specifically that if one government entity does not hold onto the property and chooses to transfer to another government entity—that does not necessarily involve flood control, or water, or

any sort—that they can do this without turning around and having to offer it to the original owner of the property?

Risa Lang:
That would be under Section 3 (page 88, Exhibit B). Under Section 2, I would note that it says that property—which you had added in here yesterday—will be devoted to open space for not less than 50 years. I guess it's just a question of an open space issue versus other uses of property.

Assemblyman Holcomb:
I am not sure if I got the answer that I am looking for, and that is regardless of what use the other government entity has in mind. Let's say a county acquires a property and decides after a period of time that they want to relinquish it, but there is another government entity—for example, the city—that they can transfer that property to. [Ms. Lang responded in the affirmative.]

Chairman Anderson:
I would hope that to be the case. It is my understanding that what was going to happen is that the government would acquire property under eminent domain and use it for the purpose that it had intended, but some unused parcels would be transferred to another governmental body, and they would be able to do so without fear of having to go back to the original property owner to give him first offer of refusal.

If, however, the governmental body were to put the property up for sale because it no longer needed it, it would have to give the first offer of refusal to the person, or their heirs, from whom they had acquired it.

Assemblyman Holcomb:
Thank you for the explanation.

Chairman Anderson:
That's my understanding of what is going to happen in the bill. If it is an open space project that they are looking at, and if we were to look at the way we have asked our staff to redraft this, we are looking at a 50-year window of opportunity. If we are looking at other kinds of things, we are talking about a 15-year window of opportunity.

Assemblyman Carpenter:
In a flood control district, if they wanted to obtain property, they would still have to go through all of the procedures of eminent domain; right? Other than if they want to acquire open space.

Chairman Anderson:
I understand Mr. Mortenson's concern. I see the language that was included here, and I am not of the opinion that it is necessary for the bill. If the flood control district or the water projects are currently able to accomplish their purposes through one of the existing governmental bodies, I don't believe that we should be expanding in state law, at this particular moment in time, by endangering this particular piece of legislation to this level of specification. If they like that type of legislation, let them bring it forward, and we can discuss it in Government Affairs or wherever they take care of water and natural resources issues.

Assemblyman Carpenter:
I agree with you.

Senator Terry Care, Clark County Senatorial District No. 7:
I have had a chance to review the Work Session Document (Exhibit B). We had a lively discussion on the Senate side about open space issues. It looks as though everybody looked at the *National Advertising Co. v. City of Miami* [402 F.3d 1335 (2005)] and the *State Department of Transportation v. Cowan* [120 Nev. 851, 103 P.3d 1 (2004)] cases. In Washoe County's proposal regarding goodwill, one difference between its language and the language that I had suggested to Ms. Lang is that it discusses that the owner has a property interest in the land. The Committee may want to look at adopting that language rather than what I have. You're going to get into a situation where there may be a vendor in a store. I would suggest that it is the store owner who gets relocated who has lost the goodwill, not the vendor who has a contract to have his product dispensed in the business that's being moved or destroyed.

Chairman Anderson:
So, we're not going to be concerned about offending the press or the newspapers that have a stand in front of the store, or a leaseholder. Are we only going to be concerned about the actual property owner?

Senator Care:
That would be my recommendation, Mr. Chairman. We've already had the same case law; that is clear to me from the proposed amendments. I think that Washoe County has it right, because to me that makes it clear that we are only talking about the business owner who has a property interest, whether he owns the land or has a lease on the land.

Assemblyman Horne:
I would like to clarify that it can be a business owner who is leasing property. For example, let's say I have a boutique shop and I make summer dresses, and

it is unique to Carson City. Everybody knows that I have had this dress shop for 50 years. Now it has been moved to another location, but I was just leasing the property. Would I still have goodwill in that situation?

Senator Care:
Yes, but I think it is a far stretch to say that the person who comes up to buy the newspaper every morning off the rack is a loss of goodwill issue.

Chairman Anderson:
I have a difficult time trying to understand this question relative to Mr. Horne's boutique, which has been operating for 50 years in Carson City, and the property being condemned and taken through eminent domain or redevelopment. As the property owner, I will be the person who is going to pick up the sale of the property to the government entity because I own the property, not Mr. Horne, the boutique owner. The actual eminent domain price is going to be paid to me, because it is my land.

Senator Care:
There's a lot of discussion about that issue: loss of goodwill. There are even cases where you compensate the person who owns the land that is not being taken. He's going to lose income as a result of the business that's being taken, because it was the primary reason this person survived in the first place. I don't think that we want to get into all of this. Washoe County is proposing that the lessee, as well as the property owner, is compensated.

Chairman Anderson:
I'm talking about who is going to be compensated first. The first compensation must go to the person who owns the land, because he will not be able to lease it again. The second question concerns the boutique owner, because they're losing the remaining part of the lease, assuming it is a long-term lease.

Senator Care:
Correct. That is equivalent to the gas station in *Cowan*.

Chairman Anderson:
Assuming it is a long-term lease; will I lose the lot?

Stan Peck, Chief Legal Counsel, Regional Transportation Commission of Washoe County (RTC):
I think there is a misconception. Under Chapter 37 of *Nevada Revised Statutes*, the process is that you have the appraisal, which determines the full-fee value of the property being acquired. If I own the property and I lease it out to Mr. Horne's boutique for a period of years, the value of the entire parcel of land

is appraised and the money is deposited with the court, either as a result of what we call an "immediate occupancy" or as a judgment. Those particular owners—the fee owner who owns the property, as well as Mr. Horne—would then have to resolve the issue about who is entitled to what percentage of the total compensation. Mr. Horne would get compensated, determined by the evidence, as part of the compensation that would have gone to the owner.

[Stan Peck, continued.] Under Senator Care's bill, this goodwill would also be paid to Mr. Horne because he has this leasehold interest in the property, as well as the underlying owner who has an interest. However, a person with a license to handle vending machines, for example, would not be subject to the goodwill portion of this bill, as I understand it, with the Washoe County amendments.

Senator Care:
I would agree with that interpretation.

Jeff Fontaine, Director, Department of Transportation, State of Nevada (NDOT):
The language that I am looking at is in Section 4 on page 88 of the Work Session Document (Exhibit B), with regard to goodwill. The concern that we have is that we understand *Cowan*; it was an NDOT case. We have no problem with language that would reflect the specific circumstances that occurred in *Cowan*, but this language goes beyond that—particularly paragraph (b) of Section 4, subsection 1 (Exhibit B), which says, "If loss of goodwill is not shown, then relocation expenses or loss of income from the condemned property would be paid."

That's going to have a fiscal impact on the Department. We would support the amendment being proposed by Washoe County to limit it to just goodwill.

Chairman Anderson:
I believe that is the way we are going. I am concerned about what happens if it is the gas station on the corner and there are several subleases within that gas station; how many people are going to be standing in line to collect on the goodwill? I use the newspaper stand on the corner as an example, but I see there are also vending machines and gaming equipment. All of those people have subleases. If I am to understand the turning from RTC, the court has computed all of that into a single amount in compensation, and then each of the sublessees and the property owner must go to court to get their part of the proceeds from the eminent domain.

Stan Peck:
That would be my understanding as it relates to the valuation of the property and the payment of just compensation. I concur with the fact that the RTC

supports the Washoe County proposal, because that's consistent with *Cowan* and would reflect that whoever has a proprietary interest—which would be a leasehold interest in the property—would be eligible for goodwill. I think that is Senator Care's intent with this bill and what it currently says under the Washoe County proposal.

Senator Care:
I would agree that there is some sort of privity with the open owner of the land. I would like to make one thing clear about Washoe County's amendment: I don't think it disturbs the language in the *National Advertising* case, which went to billboards, where there is no loss of goodwill. You don't have goodwill with a billboard, but you are still entitled to loss of income. That's a different issue and can't be relocated, but that's a different matter. I think we're still okay.

Stan Peck:
I just wanted to speak to the first right of refusal portion that you have as a new Section 3. When any governmental entity acquires property, we are required by law to pay just compensation—fair market value—for that property. I understand the motive here to permit or require a governmental entity that doesn't use all or a portion, which would be the usual circumstance of remnant pieces remaining after the public improvement is made, is not going to be required. The owner or owner's successors have the first right of refusal if that property is going to be conveyed.

However, the 15-year period in an escalated market like we have in Clark and Washoe Counties will result in a substantial increase in that remnant piece of property. I don't think it's equitable to the public that they are required to pay *pro rata* whatever they paid for it when they acquired it 14 years earlier. At the very least, it seems that there should be some interest paid on that investment, so the public can get some return for having held it and paid the full market value at the time.

Chairman Anderson:
The public and the property owner have lost the use of the property. The public has lost tax dollars. You have probably gone through and improved the property to some degree and other adjoining properties of greater value and lesser value. It is a tradeoff one way or the other. We can argue about 15 years, but then you can talk about 9 years and 6 months if we go the other way. A number is just a number.

The point is that you took it, and now you are going to make a profit from selling it. The first offer of refusal should go back to the person who didn't want

to give up their property in the first place, and you had to use eminent domain in order to acquire it.

Stan Peck:
My point is that the owner is paid the fair market value—just compensation—at the time that it is acquired. They are not out any money. Ten years or 14 years later, if we have to give it back to them, and the market has escalated 500 percent, it seems only fair that the public offers get at least interest on that original investment, as opposed to having to sell it back at whatever they paid for it X number of years earlier.

Assemblyman Horne:
I am in total disagreement with him. Say you have taken the property and given the owner fair market value, and then 10 years later you decide you don't need it. However, if, with first right of refusal, its value has gone up, and you say that they have to give you an extra $300,000, that's not fair. If you're not using it for the governmental purpose that you said you were going to use it for and you give it back, any appreciation that property has would have been the property owner's in the first place, had you not taken it. That property owner should be able to, if possible, get his or her money back.

It would be different if it was a dilapidated apartment complex that belonged to them and you made some improvements. Other than that, the appreciation would have been theirs anyway. Why should the government get that profit? That is what you are asking for. I totally disagree. I don't know about the other Committee members.

Assemblyman Mortenson:
I agree with the Chairman and Mr. Horne. I know of a very personal case where a gentleman bought 50 acres of property specifically as an investment. He was going to hold it for 20 years and then sell it. Unfortunately, it was condemned by eminent domain after only about 5 years. When the government entity did what they wanted to do with the property and then sold it, they made an enormous profit because it had gone from farmland to a large community.

Chairman Anderson:
I think the bill reflects the intent of the Committee on this issue.

Assemblywoman Gerhardt:
I just want to say, me too.

Chairman Anderson:
Let me make sure that I understand what we're going to be doing here. We're going to be utilizing the Washoe County language relative to goodwill and the process. We're not going to be giving the Clark County Regional Flood Control District the specificity that they currently enjoy. We're going to do the exercise under Section 2 in the mockup of the bill. We're going to make the change from 10 to 15 years on page 88 of the Work Session Document (Exhibit B). We're going to hold to the right of first refusal in proposed amendment 2 (page 84, Exhibit B). We're going to use the Washoe County language in proposed amendment 3 (Exhibit B). Regarding the condition of blight in amendment 4, we're going to use the City of Reno's amendment concerning the two-thirds requirement. We'll also include amendment 5 on passage and approval.

Ms. Lang, we need a little clarification on amendment 4 (page 85, Exhibit B).

Risa Lang:
We were looking at Section 3 (page 88, Exhibit B), and I wanted to ensure that this is drafted in the manner that it's intended. The failure to the use the property for the public purpose is within 15 years, and seeks to convey the right title or interest is also within 15 years, or whether that 15 years should just go to subsection 1. I guess the question is whether the intent is to have the conveyance. If a conveyance occurs after 15 years, there doesn't have to be a right of first refusal, or if the right of first refusal is intended in...

Chairman Anderson:
Only in the first 15 years. I believe, after 15 years of holding the property, unless it was acquired by open space, you would follow that, and then we would have this long time period. After the 15 years, the government may have a different viewpoint.

Assemblyman Carpenter:
I have been looking at the Washoe County proposed new language, and it seems to me that the way it reads, Mr. Horne wouldn't get any money for his boutique because he was not the owner of the land. At the bottom it says, "The owner has a property interest in the land." Mr. Horne, as the owner of that business, would not get compensated because he didn't have an interest in the land.

Chairman Anderson:
The full dollar, including compensation, goes to the court, and then the goodwill is already factored in. Could you clarify this for us?

Stan Peck:
Under Chapter 37 of NRS [*Nevada Revised Statutes*], when you acquire a property, the full appraised value—if there are multiple persons who have a proprietary interest, which would include leasehold—would be deposited with the court. In the case that we were talking about—Mr. Horne and the underlying owner—those two individuals would need to resolve their differences as to who is entitled to what. If they couldn't resolve their differences, it would be done through a separate court hearing. That is the way that works.

The goodwill portion is a separate animal, because goodwill has not previously been allowed in these cases. As I'm reading the Washoe County amendments, if Mr. Horne has a leasehold interest in this property—which is a proprietary interest—he is going to be entitled to receive goodwill under Senator Care's bill.

Risa Lang:
As he just indicated, the property interest would include a leasehold. As long as he was the owner of the leasehold, he would have the property interest that's referred to here.

Assemblyman Carpenter:
I think it needs to be specified that the leasehold interest is property interest. The way that it reads, goodwill is not being compensated under there.

Brian Hutchins, Chief Deputy Attorney General, Office of the Attorney General, Department of Justice, State of Nevada:
The language that I put in there says "owner," which is what you were talking about. It meant the owner who was talked about up top, the owner of the business. We could put in again the phrase "of the business," if that was what your concern was. Otherwise, property interest is well-known in the law to mean a leasehold interest; a leasehold interest is a property interest.

Assemblyman Carpenter:
I think that local government, the State, or whomever, does not want to pay for goodwill, because I don't think they really have paid for it. Anything we can do to make sure they are going to pay for goodwill is what we need to do.

Chairman Anderson:
Currently, the court, when holding these dollars, includes the property owner and the leaseholder, relative to the compensation that each of them is entitled to, which is the total amount of the award from the eminent domain process. The court gives X number of dollars to the landowner and X number of dollars to the leaseholder. That is what current practice is.

[Chairman Anderson, continued.] If we put in the phrase "goodwill" and, in addition, put in a phrase relative to the leaseholder, does that broaden the question of who a leaseholder is, in comparison to somebody who doesn't just own the underlying value of the land for a time period, but includes those things that are property at the business— for example, a slot route operator or a vending machine operator? It seems to me there would be a long trail of people standing at the court door. The person who owned the property and the person who owned a lease on the property would have to give away part of the proceeds from eminent domain in order to compensate the overall question. The State is going to have included those values in its first appraisal.

Assemblyman Carpenter:
My point is that they have not paid for goodwill, and they do not want to pay for goodwill. We want them to pay for goodwill. We need to make sure that in this appraisal, they do pay for goodwill. They make an appraisal, and then the two people get to fight over who's going to get what. We need to make sure that, in that appraisal, goodwill is part of the equation.

If you've had a piece of property for years and built up a business, and they come along and take it, it is very difficult to start over. This is what we need to make sure is in this equation. The goodwill must be in the equation of the appraisal.

Chairman Anderson:
I guess the Washoe County amendment (page 95, Exhibit B) brings forth the question of goodwill. Now, it will be fairly articulated in the law. Therefore, it is going to have to be a factor that is taken into consideration. Although it may have been implied before, it will be specified now. Senator Care, would you like to comment?

Senator Care:
Under the undivided fee rule, it used to be that a lessee had a leasehold interest in the property, and that would be part of the appraised value. The goodwill issue is actually something above and beyond that. The burden is on the owner of the business to demonstrate the loss of goodwill. I can't say procedurally—because I don't practice in this area—what kind of a deposit would ever be made for loss of goodwill. The burden falls on the business owner to demonstrate that. The way I read Washoe County's proposed amendment (Exhibit B), the business owner who is a lessee is covered. If the Committee would like to clarify that, it would be fine with me.

Chairman Anderson:
If we were to look at number 1, the Washoe County-proposed new language (page 95, Exhibit B), and say, "In addition to any amount of compensation determined pursuant to NRS 37.110, the owner of a business conducted on property that is acquired pursuant to this chapter shall be compensated for goodwill," then we define in this section what goodwill means: "The compensation of value attributable to the reputation, loyal customer base, ability to attract new customers, and location of a business, and shall not include loss of anticipated profits or loss of business opportunities."

Kevin Bertonneau, Legislative Advocate, representing the City of Reno, Nevada:
We need a clarification on the effective date. It refers to the passage of the bill, but does that refer to acquisitions that occur after the fact?

Chairman Anderson:
It means that the day the Governor signs it, from that point forward, the government will follow this set of rules.

Kevin Bertonneau:
What if the acquisition occurred before the passage of the bill?

Chairman Anderson:
Then it doesn't. The day the Governor puts his pen to the bill, assuming that he will get that opportunity, is what passage and approval means. If you have one in the works, you're okay. If you don't have one in the works, you don't.

> ASSEMBLYMAN CONKLIN MOVED TO AMEND AND DO PASS SENATE BILL 326.
>
> ASSEMBLYMAN HORNE SECONDED THE MOTION.

Chairman Anderson:
In Section 3 of S.B. 326, "The provisions of this act do not apply to any action for which the final judgment has been entered into and for which no further appeal may be filed." This will change the effective date from July 1, 2005, to passage and approval.

Assemblywoman Angle:
I thought we had removed the portion that you just read in the original amendment that Senator Care brought the very first time we heard this. Now I hear this cropping back up. One of the concerns I had about the bill was that it makes it retroactive if you have something pending. I was just fine until you read that.

Senator Care:
Ballardini Ranch is out, and everyone agrees on that. What we're talking about here is that this becomes effective upon passage and approval. Also, it would apply only to those eminent domain proceedings instituted after the enactment of S.B. 326.

Chairman Anderson:
We need to clarify those things that are happening after passage and approval. We've clarified goodwill. We're going to do the Washoe County proposed language (page 95, Exhibit B), and we're going to add to that phrase, "Shall be compensated for goodwill." Ms. Lang will try to deal with the language to clarify what we're going to include there. We are going to be talking about 50 years. We're not going to be doing the flood control. We are going to 15 years. We've taken care of the question of blight, relative to the City of Reno language, and the effective date of upon passage and approval.

> THE MOTION CARRIED. (Ms. Ohrenschall was not present for the vote.)

Chairman Anderson:
Let's turn our attention to S.B. 453.

Senate Bill 453 (2nd Reprint): Makes various changes concerning business entities. (BDR 7-576)

Allison Combs, Committee Policy Analyst:
Senate Bill 453 was brought up a couple of days ago. It is the bill from the Secretary of State's office, which is a large, comprehensive bill dealing with business entities. It makes some housekeeping, standardization-type changes to the requirements and processes for filing documents with the Secretary of State's office.

There were three areas targeted for possible amendment. The first one deals with the notaries public. The language is in the Work Session Document, on page 98 (Exhibit B), regarding some new additions to the notaries public to address issues relating to fraud. This language was submitted and explained by Ms. [Renee] Parker with the Secretary of State's Office at the hearing.

The second one is to clarify the definition of a record under Section 41 of S.B. 453, which adds provisions relating to filing forms for fraudulent documents with the Office of the Secretary of State. Currently, there is

language in the bill that a record includes information offered for filing pursuant to provisions of Title 7 of *Nevada Revised Statutes* (NRS) or Article 9 of the Uniform Commercial Code.

[Allison Combs, continued.] There was a proposal from Pat Cashill at the hearing to clarify that these records would include all records filed with the Secretary of State's Office and to be sure that the language wasn't too limiting. The proposal is to clarify that it does mean all records filed at that office.

Finally, in the area of charging orders under Sections 1 and 37 to 40, which are proposed under the bill by the Nevada Resident Agents Association, there were some concerns raised regarding those provisions, but no formal amendments have been offered.

Chairman Anderson:
The questions in amendment 3 (page 98, Exhibit B) still cause me a certain level of concern. We have received a few emails about that in the last couple of days, since we didn't move on this the other day. I think that we are safe moving with amendments 1 and 2 and removing Section 1 and Sections 37 through 40, the charging order questions, and adding the notary provisions as suggested by the Secretary of State.

Assemblywoman Buckley:
I've tried to understand the charging orders. I'm having difficulty with it. I emailed it to a couple of people who have no interest in the bill whatsoever, just to say, "What do you think of about this?" I continue to get concerns about what we are doing here with this. I then send that to the proponents of it, and they respond. Then I forward it again, and they say it doesn't alleviate their concerns about what we're doing here.

We have separate types of business entities for different reasons. We have a corporation to shield people from liability. We have partnerships so that partners take responsibility for the parts of that business. An LLC [limited liability company] is the same thing. I worry about what is going to happen to the other businesses and entities involved in these disputes. It's not just that we should do something business-friendly to attract businesses here. What about the businesses that are already here? They are the other party to the dispute if there's a dispute about funds.

Because I feel that it may not protect the other parties, and because I don't feel comfortable enough understanding why this is needed, I am not going to support it.

Assemblyman Conklin:
I have done some of my own research as well. It is a complicated issue. The bill needs to move forward, so I am going to work with the pleasure of the Committee. I certainly do not want to hold up the process on this. I understand the concerns of my colleague as well.

Chairman Anderson:
As much as I love eminent domain questions, I love the inner workings of corporate structure even more. The nuance of the arguments in Sections 1 and 37 through 40 continue to concern me because of some bad practices in the past.

I would like to entertain a motion to put in amendment 1 (page 98, Exhibit B), suggested by the Deputy Secretary of State. I would also like to add the definition suggested by Pat Cashill in amendment 2, and the removals of Sections 1 and 37 through 40 in amendment 3.

> ASSEMBLYWOMAN BUCKLEY MOVED TO AMEND AND DO PASS SENATE BILL 453.
>
> ASSEMBLYMAN CONKLIN SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Ms. Ohrenschall was not present for the vote.)

Chairman Anderson:
Let's turn our attention to S.B. 432.

Senate Bill 432 (1st Reprint): Revises exemption from execution of certain money, benefits, privileges or immunities accruing or growing out of life insurance. (BDR 2-1316)

Assemblyman Horne:
I am concerned about the elimination of the $1,000 limit (page 96, Exhibit B). The testimony was that it was enacted in 1970 or 1971. I suggest that we raise the limit. I think the limit is there for a reason.

Chairman Anderson:
At the pleasure of the Committee, we could raise the limit on S.B. 432. Mr. Horne, if we were to pursue your concept, maybe Mr. [Jim] Wadhams has an observation that he wants to make about it.

Assemblyman Horne:
I am not sure about the inflation rates. The first figure that occurred to me was $10,000 to $12,000.

James Wadhams, Legislative Advocate, representing the Nevada Association of Insurance and Financial Advisors:
I appreciate the concern. I think it is more important that the statute be updated, and so I am not necessarily committed to the language. I would suggest anything in between $10,000 and $15,000. I would recommend $15,000. However, anything would be an improvement on the stringency of the current $1,000.

Assemblyman Conklin:
Mr. Horne and I discussed this earlier. Does this apply only to the person who files for bankruptcy? Last time, my question was, if I am a parent and I have two children, and I put together two small whole life policies to cover them that might have $4,000, $5,000, or $6,000 in it, that's different from the guy who uses life insurance as an investment vehicle, has $100,000 in a Hummer, files for bankruptcy, and knows exactly what he is doing. I want to make sure that those policies for children are also covered, because they serve a purpose. They are not an investment vehicle; they are for the kids.

It shouldn't be as high as $15,000 for the actual filer of a bankruptcy, if we choose $10,000 or $15,000, or whatever the number ends up to be.

Chairman Anderson:
In looking at the bill, you want to make sure that you are using the first reprint in your bill book. The number that we are looking at is on page 2, lines 41 and 44 of S.B. 432.

Assemblywoman Buckley:
I would support the $15,000 in the bill. It is probably too late to do it this session, but I think next session we should put a CPI [Consumer Price Index] on all of these things, so we don't have to deal with it. It seems like every time we do these things, we then wait 8 or 10 years and then jump 60 to 100 percent, but we haven't done it for 10 years. We could avoid doing this time after time.

I don't think Mr. Wadhams wants to be the carrier for every exemption, so I'll probably suggest that we do it next session.

Chairman Anderson:
Fifteen thousand dollars?

ASSEMBLYMAN CONKLIN MOVED TO AMEND AND DO PASS SENATE BILL 432.

Chairman Anderson:
That would be a premium of over $1,000 a month. That is quite a ways up the ladder. Am I correct?

Assemblyman Conklin:
I don't know that it's $1,000 a month, so much as it's a cash value in the whole life policy of $15,000. Is that correct? Maybe that should be clarified.

Jim Wadhams:
As I understand the proposed amendment, it would be to retain the existing language of the statute and adjust the $1,000 to $15,000. That number is the annual premium. The ratio is the exemptions for the cash values that would build up proportionate to a $15,000 premium.

If my premium is $30,000 every year, only half of the cash value would be protected. It's a cash value issue, but it's driven by the proportion of the premium, and that's the annual premium that you're resetting.

Chairman Anderson:
So, what we will be doing is returning all the language in lines 40 through 45 to the existing statute and changing "If the annual premium paid does not exceed $1,000" to "If the annual premium paid does not exceed $15,000." Those would be the two changes that would take place.

Assemblyman Conklin:
Mr. Chairman, you have misstated it, but I'm concerned that under that guise, $15,000 is too high. I would like to see where the motion goes.

Assemblyman Mabey:
I don't think $15,000 is too high. If you get a person who is older, I think their premium is going to be very high. Maybe a person who is young will have a low premium, but an annual premium of $15,000 for somebody my age is not that much.

Assemblyman Conklin:
A younger person with a $15,000 per year premium is putting a lot of money in reserve in a whole life policy, provided that they are in good health. An older person might use all of that $15,000 for the cost of the life insurance and accrue nothing in the cash value. This does not hurt or benefit the older person,

because they are not accumulating any cash value to protect them in the first place. They are diminishing their cash value if it is an older policy.

[Assemblyman Conklin, continued.] A younger person might be spending $30 a month of the $1,250 that we have now granted them. The other $1,200 is going into a cash balance in the account. It is an aggressive vehicle. If the Committee thinks that is okay, then that is okay. It is just a matter of personal opinion.

Assemblywoman Buckley:
Let's say it is a younger person. We're talking about the execution. Where I was thinking of going, in my mind, was that if it does have a cash value, and if they are in bankruptcy, the trustee will consider that anyway, but we're not talking about bankruptcy. We're talking about judgments and what you can shield from judgment creditors. I don't know that we want to micromanage the age issue, either. That probably doesn't make any sense.

ASSEMBLYMAN CARPENTER SECONDED THE MOTION.

THE MOTION CARRIED. (Ms. Ohrenschall was not present for the vote.)

Senate Bill 41 (1st Reprint): Revises provisions governing priority of certain liens. (BDR 9-133)

Chairman Anderson:
We've had a couple of hearings on S.B. 41. At the first hearing, people were reluctant to speak. At the second hearing, they again made only a partial presentation. Allison Combs will take us through the Work Session Document (page 1, Exhibit B).

Allison Combs, Committee Policy Analyst:
The bill currently provides that if the amount of the lien under this chapter doesn't exceed $2,500, it is a first lien. If the amount exceeds $2,500, it is a second lien. The existing law provides that the monetary threshold for the first and second lien is $1,000. There was testimony on the bill indicating that this is intended to update the lien amounts, particularly with regard to the towing industry. The amounts were last raised in 1997 from $750 to the current $1,000.

[Allison Combs, continued.] The proposed amendment was discussed at one of the hearings on the bill. It would clarify, essentially, pulling out motor vehicles and giving those different lien amounts, and then the remainder would return to existing law under the $1,000 amount. It would amend the bill to provide that in cases involving motor vehicles, for the first 30 days of the lien period, if the lien does not exceed the $1,000, the lien is a first lien. Anything in excess of $1,000 is the second lien. After the first 30 days, if the lien doesn't exceed $2,500, the lien is a first lien, and then the amount exceeding $2,500 is the second lien. As part of that amendment, it specifies that these liens may only include charges for towing, storage, and applicable administrative fees relating to the motor vehicles.

Chairman Anderson:
Was the suggested amendment put forth by Mr. [Bill] Uffelman? The first 30 days, the lien period amount is $1,000. After 30 days, if the lien period amount does not exceed $2,500, it is a first lien. What happens with the mechanics? Are they still at $1,000? So, it only affects towing and does not affect other mechanic's liens? Is that clear?

Assemblywoman Buckley:
In a case where someone brings their car in for repairs and there is a dispute about the estimate, which was $1,000 or $2,000, and the mechanic puts a lien on their car, that situation is not applicable because this lien is only for towing, storage, and other fees related to that. Is that correct? [The response from the Committee was affirmative.]

Chairman Anderson:
Our understanding is that these are only relative to towing and storage charges.

> ASSEMBLYWOMAN BUCKLEY MOVED TO AMEND AND DO PASS SENATE BILL 41.
>
> ASSEMBLYMAN HORNE SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Mrs. Angle, Mr. Conklin, and Ms. Ohrenschall were not present for the vote.)

Senate Bill 150 (1st Reprint): Prohibits false or fraudulent complaint against public employee. (BDR 23-1168)

Chairman Anderson:
I have a letter of support that I would like to put in the record concerning S.B. 150. I would ask the staff to distribute the most recent letter of support from Mr. Michael Neville (Exhibit C), President of Washoe County District Attorney Investigators' Association, and member of PORAN [Peace Officers Research Association of Nevada], who desires to be included. Ms. Combs, would you help us understand S.B. 150?

Allison Combs, Committee Policy Analyst:
This is a measure that makes it a misdemeanor for a person who knowingly filed with the employer of a public employee a false or fraudulent written complaint or allegation of misconduct. There was a proposal amending the existing language of the bill provided at the hearing that would clarify the allegation of misconduct to mean that an act or omission alleged to have been committed by the public employee would be considered a crime. That language is set forth in more detail on page 2 of the Work Session Document (Exhibit B).

Since the time of the hearing, there have been some proposals that have come forth, and the one here in the document (Exhibit B) targets an existing law. *Nevada Revised Statutes* (NRS) 207.280 currently provides that it is a misdemeanor to falsely report a crime to police officers, sheriffs, district attorneys, deputy sheriffs, deputy district attorneys, and members of the Nevada Highway Patrol.

The proposal is to amend the existing law to include language that, if the report causes the law enforcement agency to conduct an internal or criminal investigation—and then returning to the existing language—if the person knew the report to be false, they would then be guilty of a misdemeanor.

Chairman Anderson:
We have made calling in a false report to a police agency part of statutes in the past. We don't want to disquiet people who have legitimate concerns about police operations or the broad use of discretionary power that we give them, which is what a well-trained officer utilizes.

Assemblywoman Buckley:
The original version of S.B. 150 was too broad. It seemed to imply that any criticism of a public employee would be a crime. If it is a crime, we would all be imprisoned, because we all complain about agencies and how they treat legislation. That was not the intent. I think amendment 2 (Exhibit B) captures what we are trying to do. It uses an existing law and makes it better. It says, "Any person who reports that a felony or misdemeanor has been committed,

which causes an actual investigation, knowing such a report to be false, is guilty of a misdemeanor."

[Assemblywoman Buckley, continued.] That language is really tight and gets at the legitimate problem of someone losing work because it was alleged that they stole from someone in their custody. It improves our existing law because it takes out where someone is just disseminating a report. We did this last session, or the session before, on search and rescue where there was a hoax. There was a large amount of manpower trying to rescue someone, only to find out it wasn't true.

I don't know whether that emanated from fire or whether it emanated from avalanches. Someone who deliberately says that there is a crime or a false hoax, that behavior has to be stopped. That is not acceptable, and that is what this amendment does. I would support amendment 2 (Exhibit B). It goes a long way towards getting at what we all know is wrong.

Chairman Anderson:
While looking at amendment 2 (Exhibit B), I realize that we are going to have to wait and see how Ms. Lang drafts the amendment. This is only a suggested amendment, rather than the actual verbiage that we will be looking at.

David Kallas, Executive Director, Las Vegas Police Protective Association Metro, Inc., Las Vegas, Nevada:
Nevada Highway Patrol is now considered the Department of Public Safety. If we adopt S.B. 150, we might consider changing that language.

I understand that we are talking about crimes. I want to clarify the intent, for the record, that if somebody accuses me of excessive force by breaking their nose, it could be considered a battery, and I hope the Committee would see that it would be a crime in and of itself, even though the actual allegation may be excessive force. However, because I broke their nose, I had battered the person, or something to that effect.

Chairman Anderson:
You want to be careful how many examples you bring up.

David Kallas:
That is the only one I wanted to raise, Mr. Chairman.

Chairman Anderson:
I'm sure that people who are in jail are going to be concerned about how they are handled by the peace officer or sheriff at the jail. The potential here is

somewhat scary, and that's the reason why the Committee is reluctant about some of these issues.

Assemblywoman Gerhardt:
I think that S.B. 150 is absolutely necessary. A lot of time and resources are dedicated to investigating allegations that are proven to be false. We need to have some consequences for that.

> ASSEMBLYWOMAN GERHARDT MOVED TO AMEND AND DO PASS SENATE BILL 150 WITH AMENDMENT 2 IN THE WORK SESSION DOCUMENT.
>
> ASSEMBLYMAN MANENDO SECONDED THE MOTION.

Assemblyman Carpenter:
I still don't know if I'm comfortable with this or not. Ms. Buckley mentioned the word—which I think should be in here—"deliberate." If we could put that word in, I will vote for it. I would like to reserve my right to change my vote on the Floor.

Assemblywoman Buckley:
I think it already is deliberate because of the language, "Knowing such a report to be false." That is where there is no doubt you deliberately filed this false report. You know that it is not true. You know the officer did not steal your money. I think that it is covered by that language.

Chairman Anderson:
Mr. Carpenter is suggesting an additional amendment to say "knowingly and deliberately" filed a false complaint. It would say that the person knew it was wrong and deliberately filed the action.

Risa Lang:
If you make the report knowing it to be false, it probably is covered. To increase the comfort level, we could add language to say that every person who intentionally reports to any police officer, knowing such a report to be false, is guilty of a misdemeanor.

Chairman Anderson:
We will rely on Ms. Lang to articulate this additional amendment to S.B. 150.

Assemblyman Mabey:
I will support S.B. 150 here, but I reserve my right to change my vote on the Floor.

Assemblyman Holcomb:
I disagree with Mr. Carpenter. Now you will have to define what you mean by deliberately. If that is incorporated in knowingly, then there are fewer words. Ms. Lang, is deliberately incorporated in knowingly? Is knowingly doing something deliberate? I would say yes. Why require additional definitions and technicalities for the attorneys to attack? I just say absolutely not.

Chairman Anderson:
Ms. Gerhardt, it is your motion. I was trying to make sure we had a discussion before we came back to the maker of the motion.

Assemblywoman Gerhardt:
If we can work in the word "deliberate," I don't have a problem with that.

Chairman Anderson:
I don't believe that we are going to be holding to a particular word. We're trying to get clarification from Ms. Lang. At least two of the members of the Committee will support S.B. 150 as it moves out of this Committee, but they reserve their right to change their minds on the floor after reviewing the amended language.

Assemblywoman Gerhardt:
That is fine with me.

> THE MOTION CARRIED. (Ms. Ohrenschall was not present for the vote.)

Senate Bill 153 (1st Reprint): Revises provisions relating to management of common-interest communities. (BDR 10-830)

Allison Combs, Committee Policy Analyst:
Senate Bill 153 involves the management of common-interest communities and contains a multitude of provisions prohibiting a common-interest association from applying any part of a payment for fees or other charges to a fine imposed against the unit's owner for violation of the governing documents, unless the owner agrees in writing. The community manager is prohibited from accepting or soliciting any form of compensation based upon the number or amount of fines imposed against the owner.

There was testimony in support of the measure by the sponsor of the bill, homeowners' associations, and collection agencies. There was one proposed

amendment on the bill to clarify the definition with regard to a collection agency and eliminate the reference to an assistant—someone who's assisting in performing the acts associated with disclosure—and that was proposed by Ms. Pamela Scott, on behalf of the Howard Hughes Corporation. The suggested language—it says that it is attached, but it's not in here—is identical to what is in the Work Session Document (page 3, Exhibit B).

Chairman Anderson:
The change to the collection agency suggested by Ms. Scott is not substantive.

Bob Maddox, Legislative Advocate, representing Community Associations Institute:
I don't know what Ms. Scott's amendment looks like. The Work Session Document (Exhibit B) is not available here.

Chairman Anderson:
There were several Work Session Documents available for a long period of time. On page 3, lines 30 and 31 (Exhibit B), to delete the reference to an employee, agency, or affiliate who assists another person in performing acts associated with the foreclosure of a lien.

Bob Maddox:
The Community Associations Institute supports that amendment.

Chairman Anderson:
The Chair will entertain an amend and do pass motion.

> ASSEMBLYMAN HORNE MOVED TO AMEND AND DO PASS SENATE BILL 153 WITH THE AMENDMENTS IN THE WORK SESSION DOCUMENT SUGGESTED BY PAMELA SCOTT.
>
> ASSEMBLYMAN MANENDO SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Mr. Conklin and Ms. Ohrenschall were not present for the vote.)

Senate Bill 325 (1st Reprint): Makes various changes concerning common-interest communities. (BDR 10-20)

Allison Combs, Committee Policy Analyst:
Senate Bill 325 makes various revisions involving common-interest communities, prohibiting persons from acting as community manager or reserve specialist in certain circumstances. There is the attached mockup on page 27 of the Work Session Document (Exhibit B) that was presented during the hearing. There were multiple proposed amendments to this bill.

The first one is the comprehensive amendment that was presented to clarify the intent of the bill as it was originally proposed, which are included in the mockup (Exhibit B). In addition to those changes, there are additional amendments. Amendment 2 (Exhibit B) involves the repeal under the bill of NRS 116.31075, relating to meetings of rural, agricultural, and residential common-interest communities, which must comply with the Nevada Open Meeting Law of 1960. The proposal from Mr. Carpenter is to not repeal that section, but to reinstate it.

Amendment 3 (Exhibit B) is about projects and adequate reserves. During the hearing, Mr. Conklin raised some concerns regarding conversion projects and ensuring that there are adequate reserves when that goes forward. There are two amendments proposed on page 8 of the Work Session Document (Exhibit B), suggested by Renny Ashleman, Michael Buckley, and Karen Dennison, to address Mr. Conklin's concerns.

There was also a second amendment proposed to address these same concerns in a slightly different way, which is (b) at the top of page 5 of the Work Session Document (Exhibit B), presented on behalf of the Nevada Trial Lawyers Association. It would amend the same statute.

The fourth issue for which amendments are proposed involves drought-tolerant landscaping. There was a proposal from Ms. Pamela Scott, on behalf of the Howard Hughes Corporation, to amend the section prohibiting an executive board from prohibiting the use of drought-tolerant landscaping. It would amend the section, stating that drought-tolerant landscaping means landscaping which conserves water, protects the environment, and is adaptable to certain conditions, and would delete the remainder of subsection 3.

An alternative proposed during the subcommittee hearing was to delete the language that is also in Section 41, as presented in the Work Session Document (Exhibit B)—deletion of the language "to the maximum extent practicable," with regard to the type of landscaping that would be selected or designed.

Proposed amendment 5 involves the language in the mockup on page 64 of the Work Session Document (Exhibit B), lines 15 through 18. It would be new language requiring the Commission to adopt regulations establishing the

maximum amount of the fee an association could charge for the preparation of certain documents and the certificate required under the statute reference. The proposal would be to delete that new language. That was proposed by Mr. [Robert] Maddox of the Nevada Trial Lawyers Association.

[Allison Combs, continued.] Amendment 6 (Exhibit B), which was also proposed by Mr. Maddox, involves the days for examination under the process for community managers to become community managers. As set forth here, it essentially extends the window for people presently holding property. The management firm is to continue to perform the community management functions, but the process is provided where they can pass an examination and receive a certificate. The three changes there would expand the one-year window to a two-year window for taking the examination. It would expand the time for meeting the requirements, based upon the date on which the examination is offered, and it would revise the dates for determining when to renew the original certificate issued pursuant to subsection 1 of Section 100 of the bill.

Amendment 7 (Exhibit B) involves meetings to discuss the commencement of civil actions. Section 47 is all new language in the bill, but it is language from NRS 116.3115, subsection 9, which is a long section of the law. Section 47 recodifies subsection 9. In a different location, you can see the deletion under Section 66 of the bill.

The proposal is to revise the language in the mockup (Exhibit B), to retain the original intent of the existing statute. It is a bit hard to tell; I didn't want to suggest removal of other portions of subsection 1. What would be deleted is in brackets on page 6 of the Work Session Document (Exhibit B): "or action is to be taken on such an assessment regarding a civil action." There are two brackets there.

Amendment 8 involves political signs. Section 46 adds a new section to the law regarding the exhibition of political signs. There were two areas of concern raised by Mr. Manendo during the course of the hearing. The first was with regard to the number of signs. The bill would allow one sign that is not larger than 24 by 36 inches. The second was in regard to the timing for when the signs could be exhibited and whether or not that timing needs to be revised to reflect the time when the person files for office.

Amendment 9 was proposed by Senator Schneider during the hearing. It would incorporate into the bill provisions from another measure relating to high-rise, common-interest communities.

[Allison Combs, continued.] Amendment 10 is on page 22 of the Work Session Document (Exhibit B). It amends a current section of NRS—116.31185—that relates to the prohibition against certain personnel soliciting or accepting compensation, gratuity, or remuneration that gives the appearance of an improper influence or conflict of interest. On page 22 (Exhibit B) is new language that would be added to the statute relating to these types of activities.

Amendment 11 would clarify the prohibition on executive boards regulating certain roads. This suggestion comes from Ms. Allen, and there is documentation on pages 23 through 26 of the Work Session Document (Exhibit B). It would strike from Section 45 the language indicated there in the Work Session Document.

Chairman Anderson:
Let's start with Ms. Allen's proposed amendment 11.

Michael Trudell, Legislative Advocate, representing the Caughlin Ranch Homeowners Association:
When the mockup was created, Bill McGrath, the president of our homeowners' association, had included the language of "motor vehicles while those motor vehicles are in motion and traveling upon," so that we could still have our regulation…

Assemblywoman Allen:
I bring forth this amendment to clarify the intent of what Section 45 says. I think it's clear that the intent is to prevent the executive boards of the homeowners associations out there from regulating the roads. I thought that the motor vehicle provision muddied that up, so I am asking for that to be stricken, so that it can be clear that the City of Las Vegas—or wherever these jurisdictions are—would have authority over those roads, streets, and alleys. I have spoken to the people at the City of Las Vegas, and they are generally in agreement. If you have any questions, Ms. Cheri Edelman is prepared to address them.

Cheri Edelman, Legislative Advocate, representing the City of Las Vegas, Nevada:
I believe that the question is whether or not a homeowners' association has jurisdiction over the streets. We don't feel, as a city, that they do. We feel that the homeowners' association has a contract with the buyers for the streets, and we are specifically talking about public streets. In a private community, they own the streets and have jurisdiction over those streets. However, in a public street community, they have a contract with the homeowners' association that says that you can't park in front of your house, and that becomes a civil action.

As a city, we still want to be able to have jurisdiction in that street. We want to be able to put up speed bumps, regulate the streets, and tell people what they can and can't put in those streets. There is a difference for us.

Chairman Anderson:
In a private, common-interest community, are the streets owned by the city or county?

Cheri Edelman:
If it is a private community, it would be owned by the homeowners' association.

Chairman Anderson:
The common-interest community is not gated, and therefore, the public would be able to enter and leave without restrictions.

Cheri Edelman:
There are nongated communities that are privately owned. In those cases, the city would still not have jurisdiction over those streets. It is only those streets that are public streets. For example, in the city, they have the green sign that says that they are city-owned streets. We maintain those streets. We spend the money to upgrade those streets and that sort of thing. Those are the streets that we want to have jurisdiction over, not the homeowners' association.

Chairman Anderson:
What is the downside of the question? Mr. Trudell, is this where you wanted to discuss the other side of the argument?

Michael Trudell:
The issue here is that when this was brought before the Senate and the Committee was reviewing this, we were under the impression that there were certain homeowners' associations that were trying to regulate motor vehicle speeds and other things. So, Bill McGrath had proposed this language so that the police department would be responsible for any kind of speeding or any other issues regarding moving vehicles. He did this because he wanted to make sure that the homeowners' association had control rights through the governing documents, and the parking or storage of recreational vehicles (RVs), boats, trailers, and commercial vehicles would not be impacted. When you read this language (page 7 of Exhibit B), it says, "The executive board shall not and the governing documents must not provide for the regulation of any road, street, alley, or other thoroughfare…" We do regulate the parking and storage of boats, RVs, trailers, and commercial vehicles. This would eliminate our ability to do that.

[Michael Trudell, continued.] I agree with Ms. Edelman regarding the parking of vehicles. We don't prohibit somebody from parking on a public street because it is a public street. We don't prohibit somebody from playing on a public street because it is a public street. However, where our documents are specific and not silent, we would like to be able to continue to do that.

Our position is twofold. One, when the CC&Rs [covenants, conditions, and restrictions] are recorded, they are recorded on the entire land. That CC&R is then recorded. The title changes to the City of Reno for the road, but the CC&Rs are still recorded under that particular road and are applicable to the land.

In addition, in Caughlin Ranch, we are a PUD [planned unit development] and are no longer under the municipal code. You are now under a new recorded document called your planned unit development document, which precedes government regulations—as far as the city is concerned—of many aspects about the homeowners' association. We are very concerned about this.

Chairman Anderson:
If we are going to move with this, we have to discuss all 11 proposed amendments.

Assemblywoman Allen:
I spoke with Mr. Trudell about 5 minutes ago. He indicated that he wanted to ensure that the homeowners' associations could still prohibit trailers and RVs, and I didn't have a problem with that. That doesn't in any way conflict with what I was trying to do, which is making it really clear in NRS that city roads are city roads. Many homeowners' associations, at least in my area, do that anyway in their documentation; the city roads are the city roads. We don't want to have anything to do with the maintenance or construction. If you want to include a period and then exempt trailers and RVs at the end of this, I don't have a problem with that.

Chairman Anderson:
Where are you suggesting this change, Ms. Allen?

Assemblywoman Allen:
It's Mr. Trudell's idea. At the end of Section 45, on page 38 of the Work Session Document (Exhibit B), there is a period. Mr. Trudell, would you like to read your phrase?

Michael Trudell:
We agree that the unclear language should be deleted. After the period at the end of the sentence on line 14, start a new sentence and say, "... except as provided in the governing documents restricting the parking or storage of recreational vehicles, boats, trailers, and commercial vehicles."

Assemblywoman Allen:
Perhaps we can ask the Legal Division. I don't know whether this will be problematic with city ordinances, if we say in one paragraph that the board does not have any authority over the roads and then, in the next sentence, we say that they do, in part. Do you follow what I'm saying?

Chairman Anderson:
Ms. Lang, do you understand what we're trying to do with potential amendments to Section 45, or do we need to be more specific?

Risa Lang, Committee Counsel:
It sounds to me like the Committee is trying to say that if they are authorized by law to provide such regulations, they can provide regulation over the parking and storage of the vehicles mentioned, and I'll need to get that list.

Chairman Anderson:
We'll see if we can accomplish the interest of Ms. Allen to clarify that the governmental public entities have control and that common-interest communities' governing documents can still regulate the storage of certain types of vehicles on those roads.

Assemblyman Manendo:
Common-interest communities in my district have had some concerns, and common-interest communities where I live in Las Vegas have also had some concerns. What we wanted to do is add a list of things amending NRS 116.31185 and put in some restrictions—for example, the $100 limitation. We came up with that cap from the gratuities for court reporters under the *Nevada Administrative Code*.

We heard that people were actually obtaining trips for compensation. One of the common-interest communities had a case where a board member or manager had the entire landscaping done on their house. I guess that landscaping company got the contract for that common-interest community. We really need to close those opportunities. I think a $100 limit per vendor is a good thing. This also touches the attorneys, too. We're grabbing businesses and law firms as well.

Chairman Anderson:
We are trying to ensure that the boards of homeowners' associations are not being unduly influenced in making their decision in the best interest of the common-interest community because of some personal work that is given to them. The most glaring example you bring to us is that of changing an attorney. In reality, you're trying to be broader than that, are you not?

Assemblyman Manendo:
Yes.

Chairman Anderson:
You can't take somebody out and wine and dine them and give them gifts. Ms. Lang, do you have concerns with the bill drafting? You can see my note on the bottom of page 22 of the Work Session Document (Exhibit B) that this could have gone into S.B. 153, but we decided that S.B. 325 is better placement. Do you think that will work?

Risa Lang:
I think that we can work with this language, Mr. Anderson.

Chairman Anderson:
There's no way I'm going to accept amendment 9. Let's move to amendment 8.

Allison Combs:
There were two issues with regard to the political signs. The first one that was raised for discussion was to the number of signs the bill currently specifies. It specifies that it would be one sign and also specifies the size. The second one is with regard to the timing. The language that is currently in the bill is set forth below (Exhibit B) that the political sign is exhibited only during the following periods:

- If the political sign relates to a primary or general election, it can be exhibited beginning 15 days before the first day of early voting and taken down 7 days after the general election.
- If the political sign only relates to the primary election, then it must be taken down 7 days after the primary.
- If the political sign relates to a special election, then it is 15 days before the first day of early voting—if there is not any early voting in the special election, then 15 days before the special election—and ending 7 days afterwards.

There were some questions as to whether or not the Committee wanted to revise the time for exhibiting the signs.

Chairman Anderson:
It's not realistic to have one sign when you have a national election, congressional district election, city council election, county commission election, judicial election, and a legislative election all taking place at the same time. Do I make my own sign with eight bumper stickers on it? On the other hand, I believe that the homeowners' associations or common-interest communities do not want to see their yards littered.

Assemblyman Manendo:
The number of signs I can understand. I don't know how often it happens that you have somebody displaying ten different candidates, but I am concerned about the person who would like to have more than one sign. What made me think about this is a real-life story in my district, where somebody called me up and said that they received a letter from their association saying, "You have to take down your sign." They had a sign and a couple of bumper stickers. They called me and I drove by and looked at the sign—a reasonable sign, and my opponent's sign with bumper stickers—but they called me. To me, that is one sign. I sided with them and spoke to some of the members of the board. I said, "I think that person has the right to keep that sign up, whether I like it or not. Instead of somebody having to stick bumper stickers on their signs, maybe we should open it up and say you can have two signs.

Chairman Anderson:
What we could do is say that common-interest communities shall not limit somebody's ability to participate in freedom of speech by placing political signs. However, they have to do it within the confines of their common-interest community rules. Those rules would set a minimum number and let the common-interest community set the maximum number. That way, the common-interest community could still say you can put them on the grass, but you can't put them on the balcony or on the outside of the building.

Assemblywoman Buckley:
I don't live in a common-interest community, but none of my neighbors put up eight signs. They all put up one, two, or three signs. What about the homeowner's right to decide what they want to put up? It is not out of control. I think it is wrong of these planned-unit communities to dictate whether or not you can put up two signs to enjoy your political right to free speech. That is my opinion.

Chairman Anderson:
We should say that common-interest communities shall not deprive the homeowner of the right to freedom of speech, relative to the placement of political signs.

Allison Combs:
For clarification, if you look at Section 46 in the mockup, on page 38 of the Work Session Document (Exhibit B), the preliminary part does state that the executive board shall not, and the governing documents must not, prohibit a unit owner from exhibiting a political sign. It goes on to provide the restrictions.

Assemblywoman Buckley:
Who gets their signs out within 15 days? When you are running for office, you place them when you walk door-to-door. Isn't that how we all do it? That's how I do it. Am I supposed to keep a list of those people who live in a common-interest community so that I can get my volunteer to go out 15 days before the election? What are the problems? I have one constituent who puts up a big sign, but who does that? Nobody. Size isn't a problem. The people decide how long they want to keep the sign in their yard. However, keeping it up just 15 days before the election is useless, in my opinion.

Chairman Anderson:
In Section 46, subsection 2 of the mockup (Exhibit B), it says that a homeowners' association may allow a greater time period.

Assemblywoman Buckley:
Why do they get to decide? This is a freedom of speech issue.

Risa Lang:
Right now, there is no restriction on the board in regard to placing restrictions. So, this is putting a minimum, saying that it can't be any more restrictive than this. However, the board can allow greater rights to the residents. This is attempting to say that you can't make it any more restrictive than this, but you can provide greater rights.

Chairman Anderson:
I don't live in a common-interest community, but I know that when you live at certain intersections, you are constantly being asked to put up political signs. Many people move because they are tired of their neighbor's political point of view. They are tired of having it pushed in their face, which they feel the sign does. They move to common-interest communities with the hope that they will avoid political signs. I see it as a freedom of speech issue.

I don't think that common-interest communities should take away somebody's freedom or right to put up a political sign if they so choose. Since common-interest communities get to choose which way you mow the grass and the color of paint you can use on a shingle on the outside of your house, there may be a question as to whether or not political signs are also under their

control. I can understand where a common-interest community is coming from, but they dictate all the way down to whether or not you can open your shades at certain times of the day. I think you can argue that every bit of a common-interest community seems to be under the purview of the board and not the homeowner.

Assemblyman Manendo:
I would like to mention that there are many common-interest communities that are townhomes and condominiums, and people want to put up a sign in their window. I had a sign up in my window, and I got a call saying, "You need to take that down." I said, "I am not taking down my sign in my own home." If I am going to have one sign up in my district, it will be in my window. They left me alone after that. It was inside my window. I would like to make sure that if you don't have a front lawn, you can still place a sign in your window. I agree with Assemblywoman Buckley. We've dealt with this in mobile home parks with flags. People were being denied the right to fly a flag.

Chairman Anderson:
We can't cut it out of the bill, because then we go back to the way common-interest communities are currently operating, which, apparently, is not the way they would like us to go.

Marilyn Brainard, President, Wingfield Springs Community Association, Sparks, Nevada:
I will speak to one part of this, because we knew this would be a difficult section due to the sensitivity with politicians. I received a lot of calls during the last general election. We didn't really have people who abused the number of signs, but it was the size of the sign. We had some people who put huge commercial-size signs over their fence. These signs are not appropriate in a residential area.

I would appeal to you to retain the size of the sign in the language. I just wanted to offer that as a point of personal experience. We abide by the City of Sparks ordinance. Many jurisdictions have a sign ordinance.

Chairman Anderson:
The homeowners' association is concerned about the 24 by 36 inch sign, rather than limiting the number of signs. Some people would be unhappy and complain even if they only saw one sign.

Assemblywoman Gerhardt:
I would suspect that people's objections to large signs might have something to do with whether they do or do not support that political party or candidate. I

live in a common-interest community, but that is my home and my property. I think that one of our most fundamental rights is expressing our political views. I don't think anyone should be prohibited in any way from expressing their political views.

Chairman Anderson:
I don't disagree.

Assemblyman Mabey:
My constituents hate all of these signs. I hear this complaint all the time. My signs are out on the road where they belong. I understand the importance of the right to freedom of speech, but I think that most of my constituents don't like having these signs in their yards. I prefer driving in an area where there are not a lot of political signs.

When the person moved into the common-interest community, the rule was that you couldn't put up a sign. They gave up the right to put up the sign when they moved in. They didn't have to move there.

Chairman Anderson:
If we remove paragraphs (a) and (c) at lines 20 and 22, in Section 45 of the mockup (Exhibit B), and we remove all of paragraphs 1 and 2 in paragraph (c), dealing with timeframes in lines 22 through 31, is that the will of the Committee?

Amendment 7 is about meetings to discuss commencement of civil action. Section 47 contains the language currently under NRS 116.3115(9), which deletes it from the statutes and moves it into its own section. Mr. Bob Maddox's suggestion is to revise the language to say, "The Association shall provide written notice to each unit's owner of a meeting." If there is no problem with that, we'll retain amendment 7.

Amendment 6 is about dates for examination under process for property managers to become community managers. This is a time question to meet these definitions of law. We're okay with Amendment 6.

Amendment 5 is another suggestion by Mr. Maddox about commission regulations on establishing a maximum fee for copying certain documents. Delete the language requiring the commission to adopt regulations establishing the maximum amount of the fee. Mr. Maddox, do you want to try to reacquaint us with that and why we would take that out?

Bob Maddox, Legislative Advocate, representing Community Associations Institute (CAI) and the Nevada Trial Lawyers Association (NTLA):
The reason for dropping that was a request from some community association managers who didn't like the idea of having a commission set the maximum charges for the certificate that they have to provide to the seller in the transfer of a unit in a common-interest community. The language remains that the fee must be reasonable. The amendment only deals with deleting the part about the commission setting the maximum amount.

Jim Nadeau, Government Affairs Director, Nevada Association of Realtors, Reno, Nevada:
This language was part of the overall discussion, and everybody agreed upon this language at that time, including representatives who were at the table for CAI. We feel that the commission is exactly the people who should have control of this, rather than having to come back here and make those kinds of decisions. There are different mediums that the information is put out on, whether that be a disk or online. We think this is appropriate and that the language in the bill should stay.

Chairman Anderson:
Maybe we shouldn't go with amendment 5 (Exhibit B). We will see if the Commission works well with this and whether it alleviates some of the problems that we heard earlier from the realtors, in terms of trying to get documents and copying documents. If they are not able to do this over the next two years, then we will probably be seeing this issue again.

Amendment 4 is about drought-tolerant landscaping (Exhibit B), deleting language under Section 41. Ms. Pamela Scott had a choice for us. What is the will of the Committee relative to amendment 4: (a) or (b)? Delete language under Section 41, replace it with (a), "As used in this section, drought-tolerant landscaping means landscaping which conserves water, protects the environment, and is adaptable to local conditions," or (b), "The executive board shall not and the governing documents must not prohibit the unit owner from installing or maintaining drought-tolerant landscaping." Do you want (a) or (b)?

Amendment 3 (Exhibit B) is about conversion projects and adequate reserves. This was an issue raised by Mr. Conklin. Mr. Conklin and I had several conversations about adequate reserves and our concerns that common-interest communities that were taking over did not have adequate reserves. Renny Ashleman, Mr. Buckley, and Ms. Dennison have proposed (a). Mr. Maddox suggested (b).

Assemblyman Conklin:
The language in 3(b) is broad. It addresses the concerns, but it is broad. The language in (a) is a little bit more defined. On page 1 of Mr. Ashleman's document, on page 8 of the Work Session Document (Exhibit B), it specifically states that if you have a part of the building that is set to expire or needs to be replaced within 5 years of the date of sale, then the developer must fund its replacement fully in the reserves. That is good, but what about 6 years or 8 years? It also calls into question that the reserves study is accurate, although we have addressed that in the bill, because we are adding people who are qualified to do the reserves study. It was my understanding that those reserves studies will be reviewed by the Real Estate Commission.

Are we more comfortable outlining it specifically in Mr. Ashleman's amendment, which may exclude some properties, or would we rather have it be broad? I have explained the difference between the two. Both of them move us in the right direction. The question is: how far in the right direction are we willing to go at this moment?

Chairman Anderson:
The small step is Mr. Maddox's suggestion. The more specified, but smaller step is Mr. Ashleman's suggestion.

Bob Maddox:
I am representing NTLA and CAI here. Both of these proposals would definitely benefit the consumers of the state of Nevada. I endorse the proposal by Mr. Ashleman and Ms. Dennison, although I don't think it goes far enough. What I propose in the amendment I suggested would require full funding of all major components of the common elements, up to the time of the delivery of the public offering statement.

Their proposal would require less funding, but it is definitely an improvement. It is really a public policy debate. Should the developer of a condominium conversion fully fund the reserves up until the time the sale takes place, so that when the buyer of the converted condominium takes ownership, the reserves are fully funded up to that time? The buyer of an existing condominium in a common-interest community would expect this at the time that person buys that unit. It would require a greater amount of funding by the developer than the proposal by Mr. Ashleman and Ms. Dennison, but they may have an amendment of their proposal that would make theirs even better.

Renny Ashleman, Legislative Advocate, representing Southern Nevada Home Builders Association:
The only fault I find in Mr. Maddox's proposal is that, because of its uncertainty, it is more likely to lead us into litigation. If you want to make a policy decision in favor of more funding, simply raise the number of years that we have to do it. In the proposal that I have, you'd retain the certainty, which would put more money into the funding. I have discussed it with Mr. Maddox. As far as I am concerned, we can even go as high as 10 years and still find it tolerable. At that rate, you have very good funding and very good protection without getting somebody who is moving into an old building a brand new building at the cost of the developer. I would offer that as a compromise. We could certainly do either amendment.

Karen Dennison, Legislative Advocate, representing Lake at Las Vegas Joint Venture:
It is a policy decision, and it's obviously going to affect pricing if you want to really front-load pricing by bringing it totally up to snuff, but we can't even define that. If you have a 30-year roof on there now, and it has 10 years left to go, can you replace it with a 20-year roof? Is that what you reserve for? We had a lot of questions, but basically the policy should be for you to decide about whether or not we will have a nest egg up front and how big that nest egg should be. However, where the major components don't have be replaced for longer than 10 years, shouldn't we just allow them to build up through the reserves that are required by the act—they have to be reasonable reserves through the budget of reserves—to be paid over a period of time? That way, the consumer pays a bit up front, but then has more time to pay the rest of it. I think that we have to focus on the affordability of these homes at the initial stage.

Chairman Anderson:
I would suggest that we do amendment 3(a) and that we put it at 10 years.

Robert Maddox:
I fully endorse that.

Chairman Anderson:
We are accepting the following amendments:

- Amendment 1
- Amendment 2
- Amendment 3, with the addition of 10 years
- Amendment 4
- Amendment 6 as outlined in (a), (b), and (c)
- Amendment 7

- Amendment 8 as outlined in Section 46, dropping (a) and (c)
- Amendment 10
- Amendment 11 as outlined by Ms. Allen, with some modifications added by Mr. Trudell.

ASSEMBLYWOMAN ALLEN MOVED TO AMEND AND DO PASS SENATE BILL 325 WITH THE AMENDMENTS OUTLINED ABOVE BY CHAIRMAN ANDERSON.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED. (Mr. Carpenter and Ms. Ohrenschall were not present for the vote.)

Senate Bill 423: Revises provisions relating to certain meetings and hearings concerning prisoners and persons on parole and probation. (BDR 19-242)

Chairman Anderson:
The only other piece of legislation that I brought forth was relative to parole and probation. We have a letter relative to S.B. 423 (Exhibit D). I was concerned about giving proper notice to prisoners with the Open Meeting Law of 1960. Do we want to take a motion on this bill? It is not in the Work Session Document (Exhibit B). There was a letter from the Board of Parole Commissioners that you received relative to *Buckley v. Valeo* [424 U.S. 1 (1976)] (Exhibit D).

Assemblyman Conklin:
This is the bill where they say, "We do it, but we don't have to, and we want to reserve the right not to have to do it." Is that correct?

Chairman Anderson:
Yes.

Assemblyman Conklin:
Then I think that they should have to.

Chairman Anderson:
We are not going to give direction to the Attorney General relative to the conduct of the open meeting. We are not going to sanction or put into state law their practice. [Adjourned the meeting at 11:42 a.m.]

RESPECTFULLY SUBMITTED:

Jane Oliver
Recording Attaché

Katherine Andrews
Transcribing Attaché

APPROVED BY:

Assemblyman Bernie Anderson, Chairman

DATE:

EXHIBITS

Committee Name: Committee on Judiciary

Date: May 20, 2005 **Time of Meeting: 8:22 a.m.**

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
S.B. 41 S.B. 150 S.B. 153 S.B. 325 S.B. 326 S.B. 432 S.B. 453	B	Allison Combs / Legislative Counsel Bureau	Work Session Document
S.B. 150	C	Michael Neville / Washoe County District Attorney Investigators Association	Letter of testimony on S.B. 150
S.B. 423	D	David Smith / Board of Parole Commissioners	Letter in support of S.B. 423