

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

**Seventy-third Session
April 8, 2005**

The Senate Committee on Government Affairs was called to order by Chair Warren B. Hardy II at 12:30 p.m. on Friday, April 8, 2005, in Room 2149 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Warren B. Hardy II, Chair
Senator Sandra J. Tiffany, Vice Chair
Senator William J. Raggio
Senator Randolph J. Townsend
Senator Dina Titus
Senator John Lee

COMMITTEE MEMBERS ABSENT:

Senator Terry Care (Excused)

GUEST LEGISLATORS PRESENT:

Senator Maurice E. Washington, Washoe County Senatorial District No. 2
Assemblywoman Sheila Leslie, Assembly District No. 27

STAFF MEMBERS PRESENT:

Kim Guinasso, Committee Counsel
Michael Stewart, Committee Policy Analyst
Carol Simnad, Committee Secretary

OTHERS PRESENT:

John P. Sande, III, Airport Authority of Washoe County; RED Development,
Limited Liability Company
John O. Swendseid, Airport Authority of Washoe County; Bond Counsel, City of
Sparks

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Geno Martini, Mayor, City of Sparks
John Slaughter, Management Services Director, Washoe County
David K. Morrow, Administrator, Division of State Parks, State Department of
Conservation and Natural Resources
Kay Scherer, Assistant Director, State Department of Conservation and Natural
Resources
Pamela B. Wilcox, Administrator and State Land Registrar, Division of State
Lands, State Department of Conservation and Natural Resources
John E. Sherman, Washoe County
Nicole J. Lamboley, City of Reno
Daniel Thompson, Police Officer, City of Reno
Alex Woodley, Senior Code Enforcement Officer, Code Enforcement Division,
City of Reno

CHAIR HARDY:

We will open the work session on Senate Bill (S.B.) 53.

SENATE BILL 53: Requires building officials to review and approve certain
certificates pertaining to subdivision of certain buildings. (BDR 22-841)

CHAIR HARDY:

I am informed that the sponsor of the bill wishes to withdraw S.B. 53 due to a
disagreement about its intended effects. He did not intend that it require owners
to bring an entire complex up to code when a subdivision occurred; however,
representatives of some of the local governments involved stated this was their
intention in requesting the bill.

SENATOR LEE MOVED TO INDEFINITELY POSTPONE S.B. 53.

SENATOR TOWNSEND SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CARE WAS ABSENT FOR THE
VOTE.)

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CHAIR HARDY:

I will close the work session on S.B. 53 and open the work session on
S.B. 107.

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SENATE BILL 107: Requires state and local governments to prepare and report inventories of capital improvements. (BDR 27-31)

MICHAEL STEWART (Committee Policy Analyst):

In the work session document, Work Session, Senate Committee on Government Affairs, April 8, 2005 ([Exhibit C](#), original is on file at the Research Library), there is an amendment to this bill that removes much of the reporting details and provides that those reports be prepared in such detail as required by generally accepted accounting principles. This would apply to sections 1, 7 and 9 of S.B. 107. The amendment deletes these reporting requirements for the State court system, the Legislative Counsel Bureau and State authorities. As I recall, testimony indicated that this would alleviate the fiscal impact to those State agencies and local governments.

CHAIR HARDY:

My recollection is that the addition of the phrase "prepared in such detail as required by generally accepted accounting principles" alleviated any concern about having to compile a separate report, since these reports are already largely compiled. Essentially, it would just require an inventory of existing reports.

SENATOR TITUS:

Yes, that was my understanding. We just want to standardize the data and put it all in one place.

SENATOR TITUS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 107.

SENATOR LEE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TIFFANY VOTED NO.
SENATOR CARE WAS ABSENT FOR THE VOTE.)

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CHAIR HARDY:

I will close the work session on S.B. 107 and open the work session on S.B. 110.

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SENATE BILL 110: Makes various changes concerning Airport Authority of Washoe County. (BDR S-545)

MR. STEWART:

This bill changes the name of the Airport Authority of Washoe County to the Reno-Tahoe Airport Authority. It also addresses issues concerning public bidding and other requirements.

JOHN P. SANDE, III (Airport Authority of Washoe County):

I have an amendment in [Exhibit C](#) that was worked out with opponents of the bill. There is no further opposition to the bill at this time.

JOHN O. SWENDSEID (Airport Authority of Washoe County):

The amendment makes it clear *Nevada Revised Statutes* (NRS) 338.155 will apply to the Reno-Tahoe Airport Authority. The trustees are not members of a design-build team. They can elect to have all of chapter 338 of NRS apply. If they do not elect to do this, they must give preference to Nevada contractors and set up rules as to how they will do this.

SENATOR TIFFANY MOVED TO AMEND AND DO PASS AS AMENDED
[S.B. 110](#).

SENATOR TOWNSEND SECONDED THE MOTION.

SENATOR RAGGIO:

I will abstain on this matter because the Airport Authority is represented by the Jones Vargas Law Firm in which I am a partner.

THE MOTION CARRIED. (SENATOR RAGGIO ABSTAINED. SENATOR CARE WAS ABSENT FOR THE VOTE.)

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CHAIR HARDY:

I will close the work session on [S.B. 110](#) and open the work session on [S.B. 196](#).

SENATE BILL 196: Revises provisions governing boards of directors of certain water authorities created by interlocal cooperative agreement. (BDR 22-88)

CHAIR HARDY:

I had proposed an amendment removing the Southern Nevada Water Authority from this bill. However, since the Water Authority directors have not confirmed that they want to be removed, I will withdraw the amendment.

SENATOR TITUS:

I would request we hold any action on the bill for now. Having this appointment made by the Governor would unnecessarily politicize the issue.

SENATOR LEE:

I agree. I do not see the particular need for a Legislator to be on these boards in any case. The bill does not include sufficient detail to make the position a functional one.

CHAIR HARDY:

I will close the work session on S.B. 196 and open the work session on S.B. 302.

SENATE BILL 302: Repeals limitation on acquiring or disposing of real property on county fair and recreation board in certain larger counties. (BDR 20-1060)

CHAIR HARDY:

I had asked Washoe County to get back to us on their concerns about this bill. Since they have not done so, I must assume they have no further opposition to the bill. There are no amendments offered.

SENATOR RAGGIO:

I will abstain on this measure. The Washoe County Fair and Recreation Board is represented by the Jones Vargas Law Firm in which I am a partner.

SENATOR TIFFANY VOTED TO DO PASS S.B. 302.

SENATOR TOWNSEND SECONDED THE MOTION.

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THE MOTION CARRIED. (SENATOR RAGGIO ABSTAINED FROM THE VOTE. SENATOR CARE WAS ABSENT FOR THE VOTE.)

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CHAIR HARDY:

I will close the work session on S.B. 302 and open the work session on S.B. 412.

SENATE BILL 412: Requires counties and cities to adopt ordinances prohibiting overnight parking in certain parking facilities. (BDR 20-1343)

CHAIR HARDY:

As you recall, there was significant opposition to this bill. We heard testimony previously that several cities and counties currently have ordinances to this effect, but they do not enforce them. In my opinion, this is a local government issue, but I have concerns that they are not enforcing their own laws. I am reluctant to have the State Legislature get involved in this issue, but I would encourage the local governments to take these ordinances seriously.

SENATOR LEE:

I do not see the amendment we discussed regarding exemptions for special events like air shows.

CHAIR HARDY:

We did not prepare any of the amendments discussed at the first hearing. Given the myriad problems with the bill as a concept, the sponsor of the bill informs me that he has no problem with the Committee not processing it.

SENATOR RAGGIO:

I agree. I am not sure the bill would reach the problem. Requiring the communities to enact an ordinance does not make them enforce it.

CHAIR HARDY:

I will close the work session on S.B. 412 and open the work session on S.B. 466.

SENATE BILL 466: Makes various changes concerning sale or lease of water rights by local governments. (BDR 20-1351)

CHAIR HARDY:

We are proposing a conceptual amendment that would remove the prohibitions and simply provide that a local government may sell a water right to any willing buyer at a fair market value, as determined by an appraisal prepared by a competent appraiser. There was also a question about priority. The amendment would give first preference to a public utility engaged in the business of furnishing water for municipal, industrial or domestic use; second preference would be given to another local government; and third preference would be given to any other interested person.

SENATOR TITUS:

How do you determine the fair market value of a water right? In the case previously cited, the city in question sold a right appraised at \$15,000 for \$42,000. I would think "fair market value" is whatever someone will pay.

CHAIR HARDY:

There is an appraisal process. Perhaps the State Engineer could answer that question.

SENATOR LEE:

Will this apply to all basins? There are different prices in southern Nevada than in the northern part of the State.

CHAIR HARDY:

It is not a question of basins as much as the individual markets.

SENATOR TOWNSEND MOVED TO AMEND AND DO PASS AS AMENDED S.B. 466.

SENATOR LEE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CARE WAS ABSENT FOR THE VOTE.)

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CHAIR HARDY:

I will close the work session on S.B. 466 and open the hearing on S.B. 306.

SENATE BILL 306: Authorizes pledge of certain sales and use tax proceeds and state funding for certain projects for promotion of economic development and tourism. (BDR 21-1286)

SENATOR MAURICE E. WASHINGTON (Washoe County Senatorial District No. 2):
This bill puts a new chapter in the NRS entitled "Tourism Improvement District Law" that would authorize municipalities, cities and counties to create a sales tax increment area. Sales tax increment received in this area would be used to fund building projects that promote tourism and economic development within the area, either by reimbursing the developers or paying the interest on bonds or other securities issued to construct those projects. This is a much-anticipated bill with exciting possibilities for the State of Nevada.

MR. SWENDSEID (Bond Counsel, City of Sparks):
This bill was designed as an alternative to S.B. No. 495 of the 72nd Legislative Session, which authorized districts like those in S.B. 306 but only where an assessment district was created and an assessment lien imposed on the property. Senate Bill 306 resolves some of the difficulties we experienced with that process while retaining the safeguards in the original bill. These are detailed in the memorandum we have submitted ([Exhibit D](#)). The Washoe County School District has proposed amendments that we have agreed to, and we will try to get them to you by Monday.

CHAIR HARDY:
Your memo ([Exhibit D](#)) is extremely helpful in understanding the ramifications of this bill. Thank you.

MR. SANDE (RED Development, Limited Liability Company):
I have a packet of materials ([Exhibit E](#), original is on file at the Research Library) from RED Development describing its plan for development of the Sparks Marina area.

GENO MARTINI (Mayor, City of Sparks):
We support this bill. It is vitally important to the redevelopment of the City of Sparks. We are looking forward to working with RED Development.

JOHN SLAUGHTER (Management Services Director, Washoe County):
We support this bill. I have a letter from Katy Singlaub, Washoe County Manager ([Exhibit F](#)).

CHAIR HARDY:

I will close the hearing on S.B. 306 and open the hearing on S.B. 318.

SENATE BILL 318: Provides funding for repair and maintenance of state park facilities and grounds. (BDR 35-467)

SENATOR TITUS:

This bill allows the Division of State Lands, State Department of Conservation and Natural Resources, to sell an 80-acre inholding inside the Red Rock Canyon National Conservation Area to the United States Department of the Interior. I have a packet of information showing the location of the parcel to be sold ([Exhibit G](#)); it is near Pine Creek Springs, about 20 miles west of Las Vegas. The value of the land is estimated at \$16 million. The federal government wants the land to allow the Bureau of Land Management to manage Red Rock Canyon in a more cohesive, comprehensive way.

The money received from this sale will be used to fund maintenance of State park facilities and grounds, which are currently in deplorable shape because of lack of funding. At the current interest rate of 1.65 percent, approximately \$230,000 would be generated by the trust fund. This would supplement the small amount allotted to the parks for this purpose and enhance long-range planning because it would be a predictable source of revenue.

I would also like to share with you some important findings from the Statewide Comprehensive Outdoor Recreation Plan survey conducted a couple of years ago. This survey showed that 97 percent of Nevada residents who live in urban areas feel the management of Nevada's public lands is "very important," and the other 3 percent felt it was "important." When asked if they had visited a Nevada state park in the previous year, 58 percent said yes. The study concluded that existing levels of funding are inadequate to meet the needs of Nevadans.

Maintenance of our outdoor facilities has not kept pace with demands created by the rapid growth of the urban population and the increasing number of tourists. Funding inadequacies are particularly critical in rural areas where declining population and weak economic bases make it difficult to generate public revenues for these purposes.

The combination of the growth in demand, a lack of local resources, reluctance by the Legislature to increase usage fees and the low priority given to State parks in the budgetary process results in a park system that is in desperate shape. Over the last five years, the annual appropriation for the State parks has averaged \$330,000. This must serve to repair and upgrade 24 parks.

Improving the State parks will allow us to develop the other side of Nevada. This will further enhance tourism in the more remote areas of the State and bring much-needed economic development revenue to rural Nevada. Let me quote from the Plan I referred to earlier:

The vast natural resources found on public lands in Nevada enhance the opportunity to meet the outdoor recreation needs of the State. Throughout the many public comments received to develop this plan, one can detect the willingness of Nevadans to work cooperatively to make Nevada a premier state for natural resource-based tourism and outdoor recreation, while also conserving the State's precious natural resources.

I urge you to take the first important step in launching such an effort by passing S.B. 318. It is a win for all of us.

SENATOR LEE:

This is a good bill. I would like to see the money earmarked specifically to maintain and improve Spring Mountain Ranch State Park in southern Nevada. This is a good park, but with funding it could be a great one.

SENATOR TITUS:

It was not my intention to single out one park. Since all the parks are in trouble, all the parks need to have access to these funds. You might want to request a separate bill to benefit that one specific park.

SENATOR RAGGIO:

I would also counsel against earmarking these funds for one park. If you put that in statute, we will not be able to respond when the needs of the different parks change.

SENATOR LEE:

Perhaps we could dedicate the interest to a different area each year and let them decide how to use it. One park could accomplish a great deal with \$230,000, whereas the funds will not be as useful when divided among so many.

DAVID K. MORROW (Administrator, Division of State Parks, State Department of Conservation and Natural Resources):

I agree that Spring Mountain Ranch is one of the nicest parks in the system, and that it needs help. We are willing to look at the concept of concentrating the money on one area at a time. Based on the funding we anticipate from this sale, we will be able to accomplish many of the things you suggested for Spring Mountain.

SENATOR HARDY:

How will the sale of this parcel affect the public usage applications of that 80 acres?

MR. MORROW:

Senate Bill 318 protects Pine Creek Springs so it is available to the public and can continue to be used in the way it is currently. The Division is not prepared to manage an 80-acre section of a national recreation area. We feel confident this is a good way for us to generate some revenue while still protecting this valuable piece of property.

KAY SCHERER (Assistant Director, State Department of Conservation and Natural Resources):

I am speaking today on behalf of Allen Biaggi, Director of the State Department of Conservation and Natural Resources, from whom I bring written testimony ([Exhibit H](#)).

PAMELA B. WILCOX (Administrator and State Land Registrar, Division of State Lands, State Department of Conservation and Natural Resources):

We have a minor amendment ([Exhibit I](#)) to section 2 of the bill to give the Division flexibility in responding to pending federal action regarding the sale of the land. This is a complex transaction that involves several federal laws, and this change will enable us to ensure that we achieve the intent of S.B. 318.

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SENATOR TITUS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 318.

SENATOR TIFFANY SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CARE WAS ABSENT FOR THE
VOTE.)

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CHAIR HARDY:

I will close the hearing on S.B. 318 and open the hearing on S.B. 413.

SENATE BILL 413: Revises provisions relating to debt management
commissions. (BDR 30-452)

JOHN E. SHERMAN (Washoe County):
This bill does three things.

Section 2, subsection 6 enables a debt management commission to pay a per diem fee to the at-large members of the commission. This is enabling language and thus does not require a local government fiscal note.

Section 4, subsection 4 allows a debt management commission to extend a hearing on a proposal for 60 days. The present requirement is that within 10 days of notification of an item for the agenda, the commission must set the date for the hearing to be held within 20 days. Once the hearing has been held, action must be taken on that item within 10 days. The problem with this is that occasionally, we have several items that must be considered together before a decision is made. The change in this section will give commissions greater flexibility to hear all proposals together.

Section 6, subsection 2 would give local governments an extra month to prepare their annual capital improvement plan.

Carol Vilardo asked me to convey her support of the bill.

SENATOR RAGGIO MOVED TO DO PASS S.B. 413.

SENATOR TOWNSEND SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CARE WAS ABSENT FOR THE VOTE.)

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CHAIR HARDY:

I will close the hearing on S.B. 413 and open the hearing on S.B. 422.

SENATE BILL 422: Authorizes governing body of local government to regulate managers of certain motels, hotels or apartment complexes. (BDR 20-533)

ASSEMBLYWOMAN SHEILA LESLIE (Assembly District No. 27):

This bill is enabling legislation that requires the managers of motels and apartment complexes to be certified. One of the challenges faced by law enforcement in the larger cities is the problem often presented by the daily and weekly motels. Such low income facilities often attract large numbers of drug dealers, mostly from the Oakland-San Francisco area. Senate Bill 422 gives local governments a tool to combat this problem by guaranteeing that property owners hire managers with a basic knowledge of local, State and federal laws. It is in the public interest to ensure that property managers also understand the rights of tenants.

I have assurances from the City of Reno that S.B. 422 is not an attempt to create a new form of licensure. Rather, it is a way to establish that a person seeking a business license to operate a hotel, motel or apartment complex is able to comply with laws that protect the health and safety of tenants.

NICOLE J. LAMBOLEY (City of Reno):

We support this bill which would allow us to create an ordinance tied to the business license requiring the property owner to hire managers with a basic knowledge of relevant laws. When we have given property managers this information, we have seen improvement in the property. Statute does not currently give local governments the authority to specify minimum standards for people in this position.

Real estate professionals who are cited in the NRS as having property manager certification are exempted from this requirement, and managers of manufactured housing parks and properties with an unrestricted gaming license

are also exempt because they are currently covered by the NRS. We are not trying to create a new form of licensure. We have neither the ability nor the resources to manage a new license. However, we can improve some of the more problematic properties in the City with this bill.

DANIEL THOMPSON (Police Officer, City of Reno):

This bill represents an attempt to find an alternative to traditional policing policies. In the last couple of years, we have discovered that a large number of the weekly motels in Reno have been allowing illicit activities to occur, sometimes with the assistance of the managers who inform tenants when the police arrive. Often managers are simply prior tenants who have been given a decrease in their rent; they have no formal training in management and often have little education of any kind. I have a brief sheet ([Exhibit J](#)) that cites two situations in which educating the managers dramatically decreased the number of calls to the police for service on the property. I also have an e-mail from Scott Shaw ([Exhibit K](#)) with statistics on drug seizures in 2004. Of the 26 search warrants served by the Special Enforcement Team in that time, only 4 were not on rental properties.

SENATOR RAGGIO:

How will this bill achieve the end you seek? The idea is to get people in these positions who are responsible. What will go into the certification process that will keep out people who intend to break the law?

OFFICER THOMPSON:

It has been our experience that educating managers tends to clean up these properties. I would envision providing a monthly or quarterly training seminar with a voluntary background check for participants to uncover those with a criminal past.

SENATOR RAGGIO:

How onerous is the training process?

MS. LAMBOLEY:

We have been meeting over the past six months with representatives from local associations such as the Northern Nevada Apartment Association, the Real Estate Association and the Property Managers Association to get their input into this process. Many of them have specific requirements for managers, and we anticipate that those requirements would meet the standards put in place by the

City. Material in the training would include issues such as the necessity for a lease, the power of a search warrant and the manager's obligation to provide plumbing and heating.

SENATOR RAGGIO:

What do you anticipate as a penalty for infractions?

ALEX WOODLEY (Senior Code Enforcement Officer, Code Enforcement Division, City of Reno):

This is not a new concept. There are currently 35 states with statutes like this in place. We have found that we get fewer calls from properties with managers certified by the associations. The people we see every month with new violations and continuous problems having to do with housing, over-occupancy and so on have no certification. During the harsh weather this January, we were called to a 45-unit apartment complex for an unrelated matter and found 7 units without heat at a time when it was 20 degrees outside. The manager did not realize that the NRS required her to provide space heaters while the boiler was being repaired. We envision the certification process as preventing situations like this.

SENATOR TITUS:

This same provision was put in place some years ago for mobile home parks, and it has worked well there. I would envision S.B. 422 working the same way.

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CHAIR HARDY:

I will close the hearing on S.B. 422. Is there any further business to come before the Committee? Hearing none, I will adjourn at 1:52 p.m.

RESPECTFULLY SUBMITTED:

Lynn Hendricks,
Committee Secretary

APPROVED BY:

Senator Warren B. Hardy II, Chair

DATE: _____