

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

**Seventy-third Session
April 15, 2005**

The Senate Committee on Government Affairs was called to order by Chair Warren B. Hardy II at 12:55 p.m. on Friday, April 15, 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 William J. Raggio
Senator Randolph J. Townsend
Senator Dina Titus
Senator John Lee

COMMITTEE MEMBERS ABSENT:

Senator Sandra J. Tiffany, Vice Chair (Excused)
Senator Terry Care (Excused)

STAFF MEMBERS PRESENT:

Kim Marsh Guinasso, Committee Counsel
Carolyn Simnad, Committee Secretary
Michael Stewart, Committee Policy Analyst
Catherine Barstad, Committee Secretary

OTHERS PRESENT:

Kathryn A. Besser, Assistant Treasurer, Office of the State Treasurer

CHAIR HARDY:

We will open this Committee work session with the bankruptcy court bill, Senate Bill (S.B.) 67. Up front, we will hear from our Committee Counsel, Kim Marsh Guinasso.

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SENATE BILL 67: Authorizes general improvement district to file petition in bankruptcy pursuant to the Federal Bankruptcy Act and clarifies status of general improvement district as municipality. (BDR 25-880)

KIM MARSH GUINASSO (Committee Counsel):

I am speaking in reference to the proposed amendment to S.B. 67 ([Exhibit C](#)). A governing body of a local government which determines that, because of the involvement of the local government in litigation or threatened litigation—which I believe was the circumstance with the Overton Power situation—they may submit a request to the Nevada Tax Commission for an order that the Department of Taxation take over the management of the local government. This would be pursuant to the provisions of *Nevada Revised Statutes* (NRS) 354.655 through 354.725, which are our existing severe financial emergency provisions. If the Nevada Tax Commission did receive such a request, it would order the Department to take over the management. The advantage is in the existing language which provides the Department may set up a plan for the liquidation of debts of a local government in severe financial emergency. This would simply allow the Department to require the creditors first come to the Department to try to form a plan for liquidation. There is a time frame in there. No more than 60 days after the meeting, the creditor could seek relief in the courts they do now without any time limitations. This would provide a lag to enable the Department of Taxation to set up a plan for liquidation. The creditor would have to go through the process. That would be considered an exhaustion of administrative remedies for purposes of going to court.

CHAIR HARDY:

Committee, this is a consensus amendment and everyone is in agreement.

SENATOR RAGGIO MOVED TO AMEND AND DO PASS AS AMENDED S.B. 67.

SENATOR TOWNSEND SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS CARE AND TIFFANY WERE ABSENT FOR THE VOTE.)

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CHAIR HARDY:

We will turn our attention to Senate Bill 464. The Treasurer had a number of amendments. The outstanding issue was in regard to the collateral pool.

Ms. Guinasso had indicated that it was problematic because there was no current use of the term in statute.

SENATE BILL 464: Revises certain provisions relating to state financial administration. (BDR 31-580)

KATHRYN A. BESSER (Assistant Treasurer, Office of the State Treasurer):

Our Deputy Attorney General for pooled collateral worked on S.B. 464 with Ms. Guinasso ([Exhibit D](#)). They agree on this amendment. It satisfies the needs of current and potential pool members. Instead of stating that the collateral is held for the benefit of the State Treasurer, it will specify that the collateral will be held for the benefit of pool members. We modified the prior language ([Exhibit E](#)).

SENATOR RAGGIO MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 464.

SENATOR TOWNSEND SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS CARE AND TIFFANY WERE
ABSENT FOR THE VOTE.)

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CHAIR HARDY:

The final bill that we have to consider is Senate Bill 493 which is the Lieutenant Governor's bill regarding tax incentives for registered motion picture companies. There are two amendments proposed ([Exhibit F](#)). The first one is a friendly amendment accepted by the Lieutenant Governor that removes the language regarding dedicated room tax revenue. The second amendment was a change of effective date. There was no opposition to the bill. There was significant support for S.B. 493.

SENATE BILL 493: Provides certain tax incentives for registered motion picture companies. (BDR 18-354)

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SENATOR TOWNSEND MOVED TO AMEND AND DO PASS AS
AMENDED S.B. 493.

SENATOR LEE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS CARE AND TIFFANY WERE
ABSENT FOR THE VOTE.)

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SENATOR RAGGIO:
Other amendments are proposed on Senate Bill 493 that can be addressed on
the Senate Floor, if necessary.

CHAIR HARDY:
I was unaware of those amendments. We certainly will accommodate them
during Floor Session. With that, we will adjourn this meeting at 1:04 p.m.

RESPECTFULLY SUBMITTED:

Catherine T. Barstad,
Committee Secretary

APPROVED BY:

Senator Warren B. Hardy II, Chair

DATE: _____