

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

**Seventy-Fourth Session
March 29, 2007**

The Committee on Government Affairs was called to order by Chair Marilyn K. Kirkpatrick at 8:02 a.m., on Thursday, March 29, 2007, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn Kirkpatrick, Chair
Assemblywoman Peggy Pierce, Vice Chair
Assemblyman Kelvin Atkinson
Assemblyman Bob Beers
Assemblyman David Bobzien
Assemblyman Jerry D. Claborn
Assemblyman Pete Goicoechea
Assemblyman Ruben Kihuen
Assemblyman Harvey J. Munford
Assemblywoman Bonnie Parnell
Assemblyman James Settlemeyer
Assemblyman Lynn D. Stewart
Assemblywoman RoseMary Womack

COMMITTEE MEMBERS ABSENT:

Assemblyman Chad Christensen (Excused)

GUEST LEGISLATORS PRESENT:

Assemblyman Harry Mortenson, Assembly District No. 42

Minutes ID: 722



STAFF MEMBERS PRESENT:

Amber Joiner, Committee Policy Analyst
Scott McKenna, Committee Counsel
Rachelle Myrick, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Allen Biaggi, Director, Department of Conservation and Natural Resources
John Hiatt, Private Citizen, Las Vegas, Nevada
Laura Billman, representing Nye County
Greg James, Attorney, Representing Inyo County, California
Leonard Smith, Board Member, Sandy Mesquite Valley Development Association
John Bacher, President, Sandy Valley Public Water Preservation Association
Dan Musgrove, representing Clark County
David Schumann, Vice Chairman, Nevada Committee for Full Statehood
Tim Tetz, Executive Director, Nevada Office of Veterans' Services
Tod Jennings, Master Sergeant, United States Air Force (Retired)
Edgar Roberts, Administrator, Motor Carrier Division, Department of Motor Vehicles

Chair Kirkpatrick:

[Called meeting to order and roll called at 8:02 a.m.]

We will start with Assembly Bill 447.

Assembly Bill 447: Creates an advisory bistate commission to study and make recommendations concerning various environmental and land-use issues. (BDR 22-914)

Assemblyman Harry Mortenson, Assembly District No. 42:

I am sorry to report that the source of this bill, Dr. Elizabeth Warren, is unable to be here to testify today. Fortunately Allen Biaggi had a long conversation with her and knows more about this bill than anyone in this room. He has volunteered to present it.

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

We were asked to prepare a fiscal note for A.B. 447. It is not in the Governor's budget and I cannot support the bill. I am officially neutral on the bill. I have had a conversation with Dr. Warren and I am pleased to present some of the information she told me of the reasons why she has asked for this bill to come forward.

She is a resident of Good Springs and has concerns about the way the area in that portion of Nevada and California is being managed. Her concerns revolve around a number of issues relating to air quality, water quality, zoning, land use, consolidation and the implications of the emergency services in that remote area.

She felt it was a reasonable idea to implement a tri-county, bistrate planning commission very similar to the Tahoe Regional Planning Agency (TRPA). I sit on the TRPA Governing Board.

Dr. Warren believes that it would be beneficial to the environment and to the people in all three counties and in both states to have a commission such as the one being proposed by this bill.

Our fiscal note staffs this commission with one full-time equivalent employee. It also sets up funds for travel expenses incurred to and from commission meetings as they are outlined in the bill. We believe that it would be appropriate for those total costs of \$144,579 to be shared by both states, which means the Nevada portion of the total expenses would be \$72,289.67.

I want to emphasize that we are neutral on this bill and I am here at the request of Assemblyman Mortenson outlining my conversation with Dr. Warren.

Chair Kirkpatrick:

Does anyone have any questions?

Assemblywoman Parnell:

One of the real issues is the traffic. I am glad to see that it is noticed in Section 6, subsection 2(b). If you have driven that stretch you can appreciate the air quality issues as you go down into California. It does not have the immediate interest of a place like Lake Tahoe, but in the long term this is a well-advised piece of legislation.

Assemblywoman Pierce:

There is nothing in this bill regarding archaeology. I am surprised because that is your baby.

Assemblyman Mortenson:

This is more of a governmental affair. It does have environmental aspects. I am sure that if there are some treasures down there, both states would agree that they are worth protecting. That is something that will come later.

Assemblyman Stewart:

I am familiar with the Good Springs and Sandy Valley area. Has California agreed to pay their half of the \$144,000?

Assemblyman Mortenson:

To my knowledge we have not talked to California about this. We need to get this through our Legislature first, then we can talk with confidence with California. It would be embarrassing if they started the procedure of setting it up and we did not pass this through.

Chair Kirkpatrick:

In Section 7, subsection b, if we are going to appoint three more people from California, would it be those people who represent the areas that would directly be impacted with Nevada or would it be someone down in Modesto or somewhere? How would we determine if we would be getting the ones from Sacramento or San Diego?

Allen Biaggi:

That is an issue that will have to be discussed with the State of California.

Chair Kirkpatrick:

Could we not expand or broaden the board we currently have in Lake Tahoe and make a subcommittee?

Allen Biaggi:

The TRPA is a bistate compact that was set up in the 1960s and modified in the 1980s. It is a congressionally recognized bistate compact, something a little bit different than this. This is more informal. I do not think it would be available for expansion without opening up the compact and that is a difficult thing to do. We would have to be further ratified by Congress.

Assemblyman Mortenson:

This is strictly an advisory board. It does not have power, whereas the TRPA does have power.

Assemblyman Beers:

Section 7, subsection (e) is talking about commission members and alternately appointing a member of the general public in odd-numbered years from California and even-numbered years from Nevada. Why not have one from each state in every year?

Allen Biaggi:

That is an option that could be made for this bill.

Assemblyman Stewart:

Is there something sacred about the number 13? It seems like that is a very large and unwieldy number. Could we have seven, or five, or three, and reduce expenses, and get things done more quickly?

Allen Biaggi:

That is an option. My guess is the crafters of this bill saw the TRPA Board, which is a 15-member board. In that case it is seven from California and seven from Nevada and a presidential appointee who is non-voting. Smaller is usually better. You can reach consensus a little easier.

Assemblyman Settlemeyer:

Reducing the number of members might make it slightly more effective.

Assemblywoman Parnell:

I want to point everyone to Section 10 because this act would not become effective until all members of this tri-county board have been appointed.

Chair Kirkpatrick:

Is there anyone who is in support of this bill?

John Hiatt, Private Citizen, Las Vegas, Nevada:

I am in support of this bill but think we are looking at the tip of the iceberg with Sandy Valley. If you move up the California/Nevada line a bit to the Pahrump Valley, which is adjacent, we do not include Nye County in this and yet Nye County is bordering the region. If we look at the problems of interstate issues, the Pahrump Valley is a much bigger issue than Sandy Valley. There are 12,000 acres of private land on the California side of the line in the Pahrump Valley.

We have recently seen proposals floated in Inyo County to build 50,000 to 60,000 housing units on the California side of the line in the Pahrump Valley, using groundwater as the water source. The Pahrump Valley is already an over-allocated and over-pumped basin. If they were to build twice as many

units in California as we now have in Pahrump that basin would be in a world of hurt.

There is no present mechanism by which Nevada has any say in how water is pumped in California. In California, the rules are such that groundwater pumping is not regulated by the state except in certain instances. This is what is called right of capture. Anyone who owns land can drill a well and pump to their heart's content. We desperately need a mechanism to address these types of issues, particularly groundwater pumping in shared aquifer basins. Sandy Valley is such a basin and so is the Pahrump Valley. If you look at Sandy Valley, 98 percent of the water pumped is on the California side of the line to support center pivot irrigation. Ninety-eight percent of the people in Sandy Valley live on the Nevada side. The State Engineer has no say in what happens in California.

I see that a bistate compact is something that we really need to be working toward. We also need federal help to direct the states to address issues and have a mechanism to deal with groundwater pumping in shared aquifers.

We also have issues of transportation and other things that happen in the valleys along our state borders. This is a first step. This bill needs work. It needs to be expanded to encompass the area in Nevada which is both Sandy Valley and Pahrump Valley. I am strongly in favor of the idea of a bistate compact and board.

Chair Kirkpatrick:

Is there anyone else in Clark County who would like to speak on A.B. 447?
[There were none.]

Laura Billman, representing Nye County:

We have presented an amendment to include Nye County ([Exhibit C](#)) in this bill, as well as a letter. Right now we have to stand neutral as I am waiting for a phone call from my employer, but I think we can support this legislation.

Chair Kirkpatrick:

Is there anyone else who would like to speak in favor of A.B. 447?

Greg James, Attorney, representing Inyo County, California:

I served as the Director of the county's water department for 23 years. Inyo County just became aware of the bill, and as others have said, there is a tremendous need to address interstate issues in the desert areas of Clark County, Inyo County, San Bernardino, and Nye County.

The Board of Supervisors is neutral on this bill. They would likely support the bill with some amendments. The board would like the opportunity to work with the involved governments and with the author to refine the bill and address some of the issues that have been brought up here this morning. The Inyo Board believes that elected officials from the involved counties should be a part of the commission so there are local people involved.

There was some concern about the costs of how this would be funded in terms of office space, et cetera. Inyo County would be willing to work with its legislators to help sponsor a companion bill in California. This is assuming we can work out the amendments to the bill that are acceptable to all parties involved so that the California Legislature would be taking action on this bill during this session.

Inyo County is looking forward to working with the author and others. Hopefully we can come up with a bill that would address key problems, such as groundwater, growth, and a number of other issues in that area that have become crucial across the state line.

Leonard Smith, Board Member, Sandy Mesquite Valley Development Association:

The Association obtained land from the Bureau of Land Management (BLM) to build a park and community center. We obtained permission to dig a well and build a ball field. We installed irrigation systems, furnished material, and furnished labor to build 60 percent of our community center prior to turning the center over to Clark County for completion.

Since 2000, the Association's members have been fighting water issues. The Association has paid legal fees and court costs to contest the removal of water from our basin. We paid legal fees and related costs for a three-day hearing before the State Engineer and subsequent District Court and Nevada Supreme Court costs. We are continuing to protest more Nevada water applications that exceed our annual recharge. We are faced with growth issues and support the basic premise of A.B. 447.

There is a need to establish an advisory bistate commission to study various environmental and land use issues in Clark County, Nevada, and San Bernardino, and Inyo County, California, and make a recommendation to government bodies.

John Bacher, President, Sandy Valley Public Water Preservation Association:

I would like to read a letter to you that is from John D. Gloss. It was written on March 11, 2002, to Hugh Ricci, State Engineer. The subject of the letter is application of water by Vidler Water Company. The letter says,

Dear Hugh,

I appreciate the opportunity of participating as an interested party in last December's hearing on the Vidler Water Company's Water Extraction Project in Sandy Valley.

The purpose of this letter is to make clear that regardless of whether or not your office approves Vidler's proposal there is still a need, in my view, to develop a monitoring and management plan for this groundwater basin. Since the basin is under the jurisdiction of three public agencies; Clark County, Nevada, Inyo County, and San Bernardino County, it is suggested that the affected agencies work together to explore how to help to develop such a plan.

The motivation of our county is clear; we do not want water extraction projects to threaten the livelihood of the farmers in San Bernardino. The State Engineer of Nevada indicates that both John Gloss and representatives from Inyo County were admitted as interested parties. The presentation and Ruling No. 5132 brought out factors that if this proposed advisory committee had been in effect at the time, Sandy Valley residents would not have been faced with the ordeals of going through a three-day hearing with the State Engineer, and paying the costs of going to District Court, and finally to the Nevada Supreme Court where the ruling was in favor of the residents of Sandy Valley.

Sandy Valley is going through a lot of stress that is outlined in the bill. We have current water issues that have to be recognized by three counties since we are in a single basin. We have 3,000 acre-feet of water still in hearing stages from Vidler Water Company. We have another 3,000 acre-feet that have been applied for in the valley.

The ruling of the State Engineer indicates this valley and basin have only 2,200 active feet of annual recharge. We are still facing this type of issue. If this advisory committee gets into place it would afford our valley an opportunity for at least proper hearings and representation by representatives of three counties.

San Bernardino is issued water permits for farms and alfalfa growers that far exceed the water recharge of the basin. In the ruling of the State Engineer, he

acknowledges the San Bernardino County farms use in excess of 8,000 acre-feet annually and yet, he does not recognize California's usage of water from our basin.

The issues of water, traffic and transportation, zoning for land use, and air quality are all a challenge to residents of Sandy Valley if they live in San Bernardino, Inyo, or Clark County.

Our local residents who have been working on water and other growth issues indicate concerns and concurrence with the 11 declarations in Section 5 of the bill and with the regional issues to be studied in Section 6, subsection 2. The only change we would suggest to the board is in the board composition. We recommend having three members of the general public as appointees. We have an annual recharge of 2,200 acre-feet. We are receiving a lot of pressure from both Inyo County and San Bernardino in the growth of this confined community.

Chair Kirkpatrick:

Are there any questions? [There were none.]

Is there anyone else who is in support of or neutral to A.B. 447?

Dan Musgrove, representing Clark County:

We appreciate the idea behind the bill. Ecosystems and air quality do not know jurisdictional boundaries. We do have some concerns with the way the bill is written. We would like to work with the sponsor to flush out some of the details on representation. It talks about someone needing to live in the region. There needs to be representation from some of the affected local governments. Clark County has such a huge part to play in both air quality and comprehensive planning for this area and in our relationship with the California counties.

We also need to look at the federal government having a representative because so much of the land that we are going to be dealing with is federal land. They need to have some representation on this committee as well.

There are a lot of details about liability, risk, where the office is located, and who has responsibility, not just the funding of those but the actual risk and liability of having an office, such as office personnel, et cetera. Who shares in that liability if it is located in California or if it is located in Nevada?

It is a good idea. We need to talk about the issues that interrelate between all of these counties.

Chair Kirkpatrick:

Could the county create part of the Regional Planning Commission on the Nevada side?

Dan Musgrove:

That might be a good idea rather than having to worry about it being in statute and having to worry about getting it through the California Legislature. If there is a way to set up some kind of Memorandum of Understanding (MOU) between the counties that might be something that we could flush out with the Southern Nevada Regional Planning Commission (SNRPC) because then you have all of the local jurisdictions involved. They address the same issues. Perhaps we could try to work out some relationships with the affected counties.

That would be the pleasure of this legislative Body. Maybe create a resolution asking those local governments to work together in something like this. We would be very positive toward something in that regard.

Chair Kirkpatrick:

I was thinking of Stateline and those are Nevada citizens. We already incorporate Stateline in our regional planning. The other part of it is there are some instances where we have interlocal agreements and share fire services, ambulatory services, things like that. We might already have a mechanism that is established and may be able to branch off of it.

Dan Musgrove:

Those do exist and we could easily use that as an example to try and work among the affected bodies. We might not have to worry about the detail that goes into *Nevada Revised Statutes* (NRS) versus working on interlocal agreements that could be agreed upon between the county bodies that are affected. We would be supportive of that idea.

Chair Kirkpatrick:

Is there anyone who would like to speak against A.B. 447?

David Schumann, Vice Chairman, Nevada Committee for Full Statehood:

I thought I knew all there was to know about TRPA since I helped to sue them. I did not know they had been around since the 1960s as an advisory group, which is what we said this bistate commission is going to be. In the 1980s, I guarantee you they were not an advisory group. They were a control group.

I was the Director of the Tahoe Tavern Property Owners Association in Tahoe City, California. We had a pier which had been there since the old Virginia City days. They used to cut down timber on the Virginia City side of the lake, ship it

across the lake to a railroad pier, and then run it by railroad to Virginia City to keep the mine roofs up.

In the 1980s, Tahoe Tavern Properties, which inherited that pier, went to maintain it and repair it. The TRPA said, "No, you cannot do that. You have to let it fall into the lake." So we hired an attorney and went to court. We built our pier. Instead of wooden piers that looked like telephone poles, we now have concrete piers with I-bar steel girders in the middle of them. In the olden days that pier had a lifespan of how long it took the wood to rot. It is now going to be around for 100 years.

Before you create entities like this—those people down there need a bistate water compact agency. Regarding all of these other things in Section 6, subsection 2; when you give an entity such as TRPA authority over these kinds of things you should bring in a bunch of folks who live in Incline Village and other areas that are directly affected by TRPA. Tahoe City is on the California side and this was 20 years ago that we beat TRPA in the lawsuit. You need to speak to people who have lived under their authority continuously since then.

The idea for a bistate water compact is great. The TRPA followed neither the constitution in California nor Nevada. It was a law unto itself. The TRPA decided that it could tell us what color we could paint the exterior of our buildings and the size of the trees you could cut down. If a little tree grew in front of your view of the lake and you wanted to cut it down, TRPA says no you cannot do that. You really need to speak to folks who have lived in Incline Village for 30 years.

In the 1960s it was harmless. It was an advisory group. This advisory group evolved into an authority in the 1980s. The TRPA controls what kind of little trees you can cut down.

I have given you two handouts ([Exhibit D](#)). One section that lists all of the things they can do. They are going to be messing around with the ecology, and if you have a house within that ecology you do not want them doing that.

Chair Kirkpatrick:

Is there anyone else who would like to speak against A.B. 447? [There were none.]

I appreciate discussing the transportation and land use. That is the impact for our tourists. We just found in southern Nevada that MGM is building homes and a whole new development out by Jean which is 23 miles from the state line. We have to look at the traffic, how those people are going to be able to

get to work, how the tourists are going to be able to come and go, zoning issues, and what kind of density we are putting out there.

Assemblyman Mortenson:

From all of the testimony that I have heard, with one exception, there seemed to be assent that this bill would be a good thing to have. There are a lot of questions about it. We can address them all. I would be happy to work with all of the people who have suggestions. We can turn this pretty good bill into a very good bill. I welcome the opportunity to do so.

Chair Kirkpatrick:

Are there any questions for Assemblyman Mortenson? [There were none.]

I will close the hearing on A.B. 447.

At this time I will open the hearing on Assembly Bill 486.

Assembly Bill 486: Revises various provisions relating to veterans. (BDR 0-638)

Tim Tetz, Executive Director, Nevada Office of Veterans' Services:

I am here testifying on behalf of Assembly Bill 486. When I assumed the role of Executive Director of the Nevada Office of Veterans' Services last year I was approached by a number of people with differing definitions of veterans. As we looked in the *Nevada Revised Statutes* (NRS) we determined that every section you turned to seemed to have a different definition of veterans. Sometimes we had veterans who were of certain eras. Sometimes we had those on active service to their country who were veterans and sometimes they were not. Sometimes National Guardsmen currently serving were veterans because of their active-duty time in the past and sometimes they were not.

The purpose of our agency putting this bill together is to go back to one simple phrase. The phrase is, if they served then they deserve. That summarizes the bill before you today.

Assembly Bill 486 defines the veteran in a uniform and broad concept. It fixes several of the problems we have within NRS right now. One of the problems is differing definitions. Another problem is differing types of military discharges. Depending on where you look within NRS, active-duty service members are or are not included as veterans. Finally, we have those who have served in the military during what is termed as gap periods who are sometimes included and sometimes not.

In the differing definitions throughout NRS there are sections that have time periods listed. Some of those time periods end with the Vietnam War, some end with the Korean War, others include Operation Enduring Freedom, Desert Shield, and all of the time since 1990 and others do not. Some sections include types of duty. Some of the sections of NRS include certain branches of the military, and some do not. What this bill does is define the term Armed Forces of the United States. It defines the term veteran. It eradicates the use of the term ex-servicemen and uses the term veteran throughout the NRS.

In general, there are four and sometimes five different discharges in the military. There is an honorable discharge. There is the general discharge, medical discharge, some service branches have a less than honorable discharge, and then all service branches have dishonorable discharge.

When you go to various branches in the military there is no consistency on what each of these discharge definitions are. The Air Force might tell you what a general discharge is and the Army might disagree with them. The Navy might tell you what a less than honorable discharge is and the Coast Guard might tell you that it is actually a general discharge.

What we are doing is going back and using the federal code as a model and saying that no matter what type of discharge a person received, as long as it was other than dishonorable, it would count. This allows us to include those veterans who are medically discharged, and those serving currently who perhaps lose a limb and when they return to the states are medically discharged. Some sections of the NRS currently do not allow them to be beneficiaries of veteran's exemptions and such. That is a travesty that none of us want.

The bill clearly says that those who are dishonorably discharged, which is a fairly narrow language everyone seems to agree on, everyone other than dishonorable should be eligible for veteran's benefits.

The next section of this bill takes the active-duty National Guard and treats them equally. It allows us to fix those problems when someone is killed on active duty and whether or not their widow or spouse is eligible for benefits under those terms. It changes the time period depending on when you served. There are inclusions in certain NRS sections and not in other sections.

Sometimes you will look at other state and federal statutes and they will try to put a 30-day, 60-day, or 90-day window on service period and whether or not you had served in that time period. We are trying to propose in this bill that

once you take the oath, once you serve on active duty, you deserve the benefits.

The last thing we try to fix is the gaps. One of the facts that most people are very surprised about concerns the first three years in the Global War on Terrorism. From September 11, 2001, through September 11, 2004, there were fewer military members killed in those three years than in the preceding three years in training accidents and other military casualties that we experience in day-to-day training. We were not technically at war for the three years prior to September 11, 2001, but with just the daily hazards of training and being the professionals that our military are we have accidents. We cannot possibly say to those who are killed in one of those accidents that we are sorry; you were not hurt during a wartime period.

We are eradicating the arbitrary time periods. We are including every veteran and saying thank you for your service, because if you were needed and if you were called, you would have been there for your country.

Chair Kirkpatrick:

Are there any questions?

Assemblywoman Womack:

Is this a standard definition for veterans nationally?

Tim Tetz:

We tried to use the generic definition that Veterans Affairs (VA) uses as a base point and then modified it where we needed to for VA benefits, which are not available to active-duty service members. They have an exclusion that we are not including, but we felt the cleanest way to do it was to also include those currently serving on active duty. We started there and then expanded.

Assemblyman Settlemeyer:

We need to allow the people who served in our military with medical issues to receive full care. I appreciate page 43, which makes sure people who are proven to be drug abusers are not allowed to be discharged honorably. I support providing all benefits that are available to people who served honorably. I wonder if this will also include people who are being discharged because they did not meet the fitness requirement? Some of the commanders in the Army would tell me there were people who decided they did not want to keep up their health and were then discharged. It was not dishonorable discharge, but they were discharged based on the fact they did not want to keep up their health. Are we including them?

A commander told me a story of a guy who repeatedly hit the commander all of the time. He was discharged. He did not want to be mean and dishonorably discharge him, he just discharged him. Does this also include people who are not deserters? I want to make sure that we take care of the people who need to be taken care of. Are we also opening up areas that could be questionable?

Tim Tetz:

I share your concern. The examples that you gave are rare. The problem among the military branches in all of those cases is you can discharge someone like that when their enlistment time expires. Keep in mind they have served their time. They are not going to be discharged early because of those actions unless they are brought up on charges. If they are brought up on charges then they are going to go through a court-martial and other things. Most likely if the ultimate finding of the court-martial is supported, then they are going to be discharged on dishonorable circumstances. In the other scenario, at the end of their time they did not pass their last physical, but for the previous two and a half years they were the stellar soldier that they could be and then lost interest in it. In some circumstances they are going to receive an honorable discharge and in other circumstances they are going to receive a general discharge.

In talking to the discharge officers of several different branches of the military they said it does not matter what the regulations say, it matters what I feel like that day. If I had a bad morning, and I look at your records, and I did not like you or your attitude, I might give you a general discharge because there was something in there; or maybe you got in a fight at the local bar once in your three years, but you were a well-decorated soldier who served in Afghanistan. I think that is not a bad thing so I am going to give you an honorable discharge. The next person might do a general discharge. We are taking that out of there. We are saying if you were brought up on charges and those charges were substantiated, and you are dishonorably discharged, clearly you should not benefit with veteran's exemptions.

We have a case in point that was brought to my office recently that illustrates what you have. A gentleman was a well-decorated soldier who did two tours in Iraq and Afghanistan. He came back as a civilian, reenlisted in the military, and was working as part of a Navy Seal team. The Navy Commandant recently changed the policy toward tattoos and has said that if you have a tattoo that shows above or below your uniform you need to either ask for a waiver or you need to have it removed. The cost of having this tattoo removed was \$20,000 and clearly this young enlistee did not have the money. He asked for a waiver and his commanding officer said that he could not give him the waiver. I will admit to you that there were certain personality issues between this seaman and his commander, but he asked for a waiver and was not granted one.

He was discharged on conditions and his DD214 says he was honorably discharged, but there was a code on the bottom that said he had been discharged because he did not meet the new standards. They were upholding him to new standards that happened after he was already in the military. He willingly got down to the end of his term and said if he could not do it then he was out of there. His DD214 says honorably discharged, but because of the extra code on the DD214 he is not eligible for unemployment insurance because they say he was not honorably discharged. Our office has to fight for these types of honorable discharge. This other code means things that are behind the scenes. He has an honorable discharge and NRS says honorable discharge. What is the problem here?

We see this day in and day out because of the way they were discharged, and because of misrepresentation on the DD214 we are excluding a person who otherwise was a well-decorated soldier.

Assemblywoman Parnell:

A few years ago I had a constituent who was a Vietnam veteran. For some reason, because of the language he did not qualify for the veteran's property tax exemption. Would this help clarify that as well? I do not know if it was one day less or what he was doing when he was in Vietnam, although he was there serving. He did not get that tax credit. I thought that was awful. We worked with the Carson City Assessor but were never able to get it resolved.

Tim Tetz:

The short answer is yes. The District Attorneys of every county I have talked to have made a ruling that general discharges and medical discharges are not a certificate of discharge as the law is currently written and are thus not honorable discharges; and those people are not eligible for the tax exemption that you are talking about. The problem with that is a great majority of people through the Vietnam era were medically or generally discharged, because that was how the process happened. Twenty-five or 30 years ago these people received this discharge that said they served honorably and they went on with their lives. Now when they choose to take advantage of that tax exemption they realize that just because general discharge is on here they are not eligible. That is not fair and that is what we are attempting to fix.

Assemblywoman Pierce:

I am looking at Section 26, subsection 11, where we try to throw in a whole lot of gray area about the definition of marriage. As far as I am concerned marriage is like being pregnant. You either are or you are not. I have no interest in the State getting into whether or not this is a good marriage, do they live together,

do they like each other, and all this other stuff. I cannot live with anything in this section. You are either married or you are not.

Tim Tetz:

Subsection 11 goes back to the standards set up by the Code of Federal Regulations. What we have and what we are attempting to fix in subsection 11 is the situation where the veteran has died and the spouse is taking advantage of the benefits. This is saying that when the spouse remarries they should not be eligible for the veteran's benefits. I agree that it is not our job to legislate what marriage is. We are trying to clean it up so we narrow down that focus. Someone who is a widow, whose husband died 20 years ago cannot still receive veteran's benefits when they have remarried.

Assemblywoman Pierce:

This would have to be narrowed way, way down.

Assemblyman Beers:

Say this bill passes and it is signed by the Governor. How will the veterans whose status is affected by its passage be notified of that change?

Tim Tetz:

That is our number one mission in life. That is the goal of our agency. One of the other agencies asked about the fiscal impact this would have if there was a significant change in the number of veterans who applied for a tax exemption or anything else. They were worried that it would go from 54,000 veterans currently taking the exemption to 300,000. Veteran's benefits and veteran's exemptions are the best-kept secrets in this State. If this is passed we will go out and proclaim from the highest mountain that these benefits are expanded. You are not going to see a large rush of veterans who are excluded right now. It is a fairly narrow group. Doing our best to get public comments out there and do our best for public service articles and airtime on the radios, and we will continue to say you are a veteran if you served on active duty and served your country, and we thank you.

Assemblyman Stewart:

You are convinced that the reserve components there include the National Guard units in the definition of veteran? Is that correct?

Tim Tetz:

Our goal this session is to make sure that we do not exclude any National Guardsmen or reservists. We are not including those National Guardsmen who have not gone to basic training and thus have not been activated onto active duty. We are including those with active-duty service even if they are currently

serving in the National Guard. They are going to have some active-duty service time.

Assemblywoman Parnell:

I would hate to see this bill defeated because of some language that caused concern. If you look on page 20, Section 11, subsection 4, lines 19 through 21, I would be fine if it stopped with "has not remarried," but when you start using language like "held himself out openly to the general public," that could be having coffee at a coffee shop. Trying to define that would become an impossibility. I would suggest we look at the language in subsection 4. It would be a nightmare to try to interpret. Did this language come from somewhere else? Is this language used with regard to this issue in other places?

Tim Tetz:

Subsection 4, I am fairly certain, comes out of the Code of Federal Regulations. They are dealing with 50 states so they have common law marriages that they are trying to figure out how to deal with in that section. I would not be against the eradication of lines 19 thorough 21. We want to make certain we affect the veterans and I do not want it to be lost on three lines.

Assemblyman Goicoechea:

This bill qualifies all National Guardsmen because they have all done at least six months of active duty?

Tim Tetz:

Yes, that is correct.

Chair Kirkpatrick:

On page 27 it goes into the same type of language. Were you willing to take that part out, too? Subsection 9, line 43, where it says "hold himself out openly to the public." Could we do away with this language consistently throughout the bill?

Tim Tetz:

I would agree that if you would like to take out the remarriage clause throughout the bill that is fine. We want to go back to the basics and are covering them even with the eradication of that section.

Assemblywoman Parnell:

I just got an email saying this would not correct the problem because the dates are still in the law.

Chair Kirkpatrick:

I also received an email from someone asking if they were generally discharged after not making it through basic training, would that allow them to apply for all of the same benefits?

Tim Tetz:

There is a clause that says you must go through a substantial amount of your training before being discharged. Leaving before the conclusion of your basic training does not qualify you for veteran's benefits and you are discharged under another term.

I have been assured by the Legislative Counsel Bureau that we have eradicated all dates with this bill. In Section 1 we have said this is the Armed Forces, and in Section 3 that this is an actual bona fide resident, and that they are either discharged or currently serving, and if we were ever given the opportunity to strike the dates of any period, no matter which section, we have put a red line through it. We truly believe this takes all of the dates out and that we have now fixed that.

Assemblyman Beers:

We also need to take a look at a word that needs to be deleted from the marriage section on page 20, line 13, subsection 2, regarding living with the veteran continuously from the date of marriage. Remove the word "continuously" because I guarantee you that someone in some cubicle in some office somewhere will take a look at that word, and the veteran who has spent a considerable amount of time overseas did not live with their spouse continuously.

Assemblywoman Pierce:

We need to take the whole "living with" thing out of it. You are either married or you are not. If you do not want to be married to someone you are not living with, go get a divorce.

Tod Jennings, Master Sergeant, United States Air Force (Retired):

[Read from prepared statement ([Exhibit E](#)).]

Assemblywoman Womack:

In answer to Mr. Stewart's question before, on the Nevada Office of Veterans Services' website there is a lot of good information. There is a newsletter that Tim Tetz puts out. Is it monthly or quarterly?

Tim Tetz:

We put that out monthly.

Assemblywoman Womack:

I would encourage anyone who has served in any capacity to sign up for that automatic newsletter. It has been a wealth of information for me.

Chair Kirkpatrick:

Is there anyone else who would like to speak in favor of A.B. 486? [There were none.]

Is there anyone who would like to speak neutrally on A.B. 486?

Edgar Roberts, Administrator, Motor Carrier Division, Department of Motor Vehicles:

The Department of Motor Vehicles (DMV) currently has no position on this bill. The Department has submitted a fiscal note reflecting the added expenses DMV would incur should A.B. 486 pass.

Assembly Bill 486 proposes to standardize the definition of veteran and Armed Forces of the United States throughout NRS and expand the eligibility of certain veterans for tax exemptions and governmental programs. This bill changes the definition of veteran to include active-duty military. Where the term veteran is used in the bill as a stand-alone word it now includes active-duty military personnel.

This changes the eligibility requirements to obtain a veteran's exemption from governmental services tax in NRS 371 and thus allows more veterans to obtain the exemption.

Additionally, the bill proposes changes to the definition of Armed Forces of the United States as written. The definition of Armed Forces of the United States will now include reserve components of the United States Army, Navy, Marine Corps, Air Force, and Coast Guard. Exemptions from the motor vehicle fuel and jet fuel taxes will be expanded.

Nevada Revised Statutes 365.220 currently exempts motor vehicle fuel or fuel for jet or turbine-powered aircraft sold to the United States government for official use of the United States Armed Forces. This means that fuel sold to reservists is currently tax exempt only when the unit is called up for active duty.

The expansion of the definition of Armed Forces to include reserve components will mean that all vehicle fuel or fuel for jet or turbine-powered aircraft will be

tax exempt all of the time for reserve units. Thus fuel revenue reduction is projected using actual Fiscal Year (FY) 2006 vehicle and jet fuel taxes collected from the reserve units.

The Department's fiscal note reflects a revenue loss of \$28,745,000 rounded to the nearest thousand in FY 2007/2008 and \$39,897,000 in FY 2008/2009 and a revenue loss of \$79,795,000 in the future biennia. The revenue reduction for FY 2007/2008 is based on nine months due to the default effective date of October 1, 2007, for the bill.

Assemblyman Stewart:

You are assuming that 100 percent of the veterans are going to apply. Is that correct?

Edgar Roberts:

Correct.

Chair Kirkpatrick:

Does anyone else have any questions? [There were none.]

Is there anyone else who would like to speak as neutral on A.B. 486? [There were none.]

Tim Tetz:

If they served then they deserve. We need to make sure we take care of each and every one of our veterans because if the circumstances were different their lives could have changed and our country would be totally different without the service of our military.

Chair Kirkpatrick:

I think the Committee as a whole supports the concept. There is a little bit of work that needs to be done on the bill. Of course, we want to honor our veterans for making that ultimate sacrifice, but I would ask that you clean the bill up a little. We all want to do what is right for our veterans and their spouses.

Assemblyman Goicoechea:

Looking at the fiscal note, that is an issue to me. Unfortunately, the point will be raised that there is an active-duty veteran that was in the Armed Services and/or National Guard. If we have to look at adjusting the fiscal note, that might be the place to start.

Tim Tetz:

There are, according to United States Census figures, only 8,000 bona fide residents of Nevada who are on active duty. That number is not huge. Those are residents who are stationed throughout the world. The number deals with how many would really be here to use those benefits. The reality of that is the numbers have changed. There is a fiscal impact. In light of the news today, fiscal impacts are important. We need to realize it is not a tremendous amount of people who are taking advantage of it or will take advantage of it. There are very few Nevadans who are on active duty overall.

Assemblyman Goicoechea:

We have a number of Guardsmen who got their seven years in, did their six months of active-duty, did their two weeks of summer camp, and never left the State other than when they did their six months of active-duty. We are putting them on the same level as someone who has toured the world. We are going to have to look at this fiscal note. It is a possibility that it could be millions of dollars. If we have to cut someplace then we need to make sure we still cover our veterans who have been out there.

Assemblyman Claborn:

One of my constituents called me and said he was receiving property tax notices, and he was a veteran. Is the discharge document a DD214?

Tim Tetz:

The current document is called a DD214 although it has changed over the years and has had other numbers, but we refer to the current document as the DD214.

Assemblyman Claborn:

This gentleman was receiving notices to pay his property taxes. He calls me and says that he received a letter from the tax people in Las Vegas saying they received his DD214 and although he was not dishonorably discharged, they took away his exemptions. I called the military base and talked to them. They said they could not do anything about it. I know that the gentleman this happened to is going to be interested in this. There was a name for this. He was not dishonorably discharged and he was not kicked out of the service, but there is a name for it. I do not know what the name is.

Tim Tetz:

That is most likely, and it depends on the service branch. Some consider it a general discharge, others less than honorable discharge. One branch actually uses effective discharge. They all have their own terms and those terms have changed over the last 100 years. Every time we turn around we have to relearn

the terms and try to understand what they are. That is where the VA has finally said, forget it. They are all using different terms and we are going to say other than dishonorable, because we know if they really screwed up and their term was shortened then they would receive a dishonorable discharge.

Assemblyman Claborn:

What you are saying is, if this passes this gentleman might have a shot at getting back his exemption?

Tim Tetz:

That is our intention. We are going back and looking at the District Attorney's opinion and saying what they have said. If this is passed I would encourage him to reapply because he would be included.

Assemblyman Claborn:

I will be sure and let him know that someone has put a bill in that might be able to help him.

Assemblyman Goicoechea:

Typically, all the Assessor's Office would ask for is a DD214 as you go in and ask for your property tax exemption. What would be the scenario where they would deny that?

Tim Tetz:

The scenario as to why that person was denied? We received a number of calls from Clark County once the District Attorney made that ruling, because they narrowed the focus and said no longer is a general discharge a certificate of discharge and they considered it something negative. All those people who were receiving that property tax exemption were thrown off the books, even though they had been receiving it sometimes for decades.

Assemblyman Goicoechea:

That is clearly something that needs to be adjusted. I got an email from an assessor that I represent and they anticipate a 25 to 30 percent increase in people who would use this exemption in the rural areas if you take out all of the dates and make it available to Guardsmen. Those people out there pay attention.

Assemblyman Stewart:

All of the money we have lost and the money the assessors have gained over the past few months, this additional thing could make it where it balances out. Could that be a possibility?

Who are the gentlemen behind you?

Tim Tetz:

The gentlemen behind me are wonderful Nevada veterans who are there at every Nevada veteran issue we have. What we have to say, and it is a message I have proclaimed time and time again during this session, is that each of us at the city, county, and state levels must realize that we have a cost to pay for our freedoms and to thank our veterans. I do not think we need to negate that in any way.

There are going to be some rural impacts. The rural areas have a functioning service office and if we are out there doing our job, giving veterans the benefits they deserve, those same veterans who have earned compensation or disability benefits could dramatically increase the economy, far greater than these folks who are going to be taking this exemption. When you talk about an additional \$2 million per year coming in to White Pine County or any rural county, that is a dramatic increase of the potential to get people their benefits. The federal government is there to give them their benefits and we need to pay our price in the state and local areas.

Assemblyman Goicoechea:

This is my sixth year here and we are still waiting for that Veterans Services Officer in eastern Nevada, so I am going to hold you to that comment.

Chair Kirkpatrick:

I am closing the public hearing on A.B. 486.

Is there anything from the Committee? [None.]

[Meeting adjourned at 9:32 a.m.]

RESPECTFULLY SUBMITTED:

Rachelle Myrick
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: March 29, 2007

Time of Meeting: 8:00 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 447	C	Laura Billman, representing Nye County	Proposed amendment
A.B. 447	D	David Schumann, Vice Chairman, Nevada Committee for Full Statehood	Articles
A.B 486	E	Tod Jennings, Master Sergeant, United States Air Force, (Retired)	Prepared statement