

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session
April 16, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:05 a.m. on Monday, April 16, 2007, in Room 2134 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 in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator William J. Raggio, Chair
Senator Bob Beers, Vice Chair
Senator Dean A. Rhoads
Senator Barbara K. Cegavske
Senator Bob Coffin
Senator Dina Titus
Senator Bernice Mathews

GUEST LEGISLATORS PRESENT:

Senator Mark E. Amodei, Capital Senatorial District
Senator Terry Care, Clark County Senatorial District No. 7
Senator Michael A. Schneider, Clark County Senatorial District No. 11
Assemblyman John C. Carpenter, Assembly District No. 33

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Larry L. Peri, Principal Deputy Fiscal Analyst
Michael Archer, Committee Secretary

OTHERS PRESENT:

Virginia Lewis, Director, Department of Motor Vehicles
Fernando Serrano, Administrator, Division of Child and Family Services,
Department of Health and Human Services
Troy Dillard, Administrator, Compliance Enforcement Division, Department of
Motor Vehicles
Andrew Goodrich, Director, Air Quality Management District, Washoe County
District Health Department
Carol C. Harter, Ph.D., Executive Director, Black Mountain Institute, University
of Nevada, Las Vegas
Kimberly J. McDonald, State Legislative Affairs Officer, City of North Las Vegas
Mike Henley, Director, Parks and Recreation, City of North Las Vegas
Paul T. Killpatrick, Ph.D., President, Great Basin College
Carl A. Diekhans, Vice President, Administrative Services, Great Basin College
Steven C. Hansen, Chief Executive Officer, Nevada Health Centers, Inc.
Robert A. Ostrovsky, Chair, Commission for Cultural Affairs, Division of
Museums and History, Department of Cultural Affairs
Michael Fischer, Director, Department of Cultural Affairs
Allen Biaggi, Director, Department of Conservation and Natural Resources

David K. Morrow, Administrator, Division of State Parks, Department of Conservation and Natural Resources
Mary C. Walker, Carson City, Douglas, Lyon and Storey Counties
Richard Mirgon, Director of Communications, Emergency Management and Animal Control, Douglas County
Jeffery A. Fontaine, Nevada Association of Counties
Frank Adams, Executive Director, Nevada Sheriffs' and Chiefs' Association
Mark Bassett, Executive Director, Nevada Northern Railway Museum
Dean Day, City Engineer and Public Works Director, City of Ely
Peter Barton, Acting Administrator, Division of Museums and History
Department of Cultural Affairs
Laine Hendrix, Chief, Lund Volunteer Fire Department
Gerald Miller, President, Nevada Shade Tree Council
Helen Stone, Executive Director, of the American Society of Landscape Architects, Nevada Chapter
Steve Churchillo, Urban Forester, City of Reno
Bryan Elkins, Director, Community Development, City of Caliente
Keith Larson, Councilman, City of Caliente

CHAIR RAGGIO:

We will begin this meeting with a report from our Fiscal staff.

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

I have distributed a progress report ([Exhibit C](#)) describing the Committee's business through the 71st day of the 2007 Legislative Session.

CHAIR RAGGIO:

All budget closings are subject to potential adjustments due to a projected shortfall in revenues.

We will now discuss Senate Bill (S.B.) 125.

SENATE BILL 125: Authorizes the Lander County School District to transfer certain property to the Austin Historical Society. (BDR S-987)

Please refer to the memorandum, dated April 15, 2007 ([Exhibit D](#)), which contains information about an amendment proposed by Senator Rhoads. This would allow the Lander County School District to donate the historic Austin elementary school to the Austin Historical Society for uses consistent with its historical designation. The property deed would include a restriction preventing the Austin Historical Society from transferring the property without the consent of the Lander County School District Board of Trustees. In addition, the transfer would not be subject to the provisions of Chapter 393 of the *Nevada Revised Statutes* (NRS) relating to the sale of school district property. Also in [Exhibit D](#) are two letters from the Austin Historical Society approving this measure, as well as an e-mail verifying the vote of the Commission and a resolution by the Lander County Board of Commissioners authorizing the transfer.

SENATOR RHOADS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 125.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

We will now discuss S.B. 180.

SENATE BILL 180: Provides the registered owner of a vehicle with the opportunity to make a voluntary contribution to the State Highway Fund at the time of the renewal of the registration. (BDR 43-696)

An amendment to this bill ([Exhibit E](#)) has been prepared by the Department of Motor Vehicles (DMV). According to the proposed fiscal note ([Exhibit F](#)), the fiscal impact would be reduced to a onetime amount of \$51,975.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 180.

VIRGINIA LEWIS (Director, Department of Motor Vehicles):

Originally, our information technology (IT) programming effort costs were expected to be for approximately 19,000 hours. Based on bills that have either been amended or have died since then, we are currently down to 6,500 hours. We do not know what amount of IT programming hours we will eventually receive to implement the laws. We would hope this issue can be left open for further revision if necessary.

SENATOR MATHEWS SECONDED THE MOTION.

SENATOR TITUS:

Will this legislation have the effect of raising enough money to cover the cost of the IT programming expenses?

SENATOR BEERS:

This is a onetime cost. However, if the bill is processed out of the Assembly, I will ask for a report from the DMV about that revenue issue.

Ms. LEWIS:

As amended, the fiscal note would address customers who are either in the office or transacting business on the Internet. This represents about a million DMV customers.

SENATOR COFFIN:

Has the DMV ever had anyone offer a personal donation to help build highways?

Ms. LEWIS:

No.

SENATOR COFFIN:

Is there anything in this bill prohibiting the donation of money for a specific use, such as a toll road?

Ms. LEWIS:

The bill only provides for donations to projects supported by the Highway Fund.

Senate Committee on Finance
April 16, 2007
Page 4

SENATOR COFFIN:

Can there be a "quid pro quo" on any donation of any size?

Ms. LEWIS:

No.

THE MOTION CARRIED. (SENATOR COFFIN VOTED NO).

* * * * *

CHAIR RAGGIO:

We will now discuss S.B. 316. The fiscal note for this bill is \$2,580 in fiscal year (FY) 2007-2008 and \$1,290 in FY 2008-2009.

SENATE BILL 316: Requires compensation for Legislators who serve on the Commission on Special License Plates. (BDR 43-861)

SENATOR CEGAVSKE MOVED TO DO PASS S.B. 316.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

We will now discuss S.B. 337. Staff recommends the amount of the supplemental appropriation be reduced to \$40,000. If further reductions are recommended, they could be processed by the Assembly Committee on Ways and Means.

SENATE BILL 337: Makes a supplemental appropriation to the Division of Mental Health and Developmental Services of the Department of Health and Human Services for the Family Preservation Program. (BDR S-1256)

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS AS AMENDED S.B. 337.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:

We will now discuss S.B. 32.

SENATE BILL 32 (1st Reprint): Revises the provisions concerning the detention of certain delinquent children who violate parole. (BDR 5-597)

FERNANDO SERRANO (Administrator, Division of Child and Family Services, Department of Health and Human Services):

Based on an amendment passed by the Senate Committee on Judiciary, the Division no longer anticipates a fiscal impact associated with S.B. 32.

CHAIR RAGGIO:
What does the bill provide?

MR. SERRANO:
The bill allows the Youth Parole Bureau to temporarily house their juvenile parole violators in county jails until mental health services for them can be accessed. Currently, the NRS allows for a juvenile probation violator to be incarcerated up to 30 days in a detention center or county jail. However, the statutes do not currently include someone on parole.

CHAIR RAGGIO:
Why has the fiscal note been deleted?

MR. SERRANO:
When we house a minor in a juvenile detention facility, we are charged a daily fee. However, county jails do not charge the Division to house offenders in the 18- to 21-year-old age range.

SENATOR MATHEWS MOVED TO DO PASS THE FIRST REPRINT OF
S.B. 32.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RAGGIO:
We will now open the hearing on S.B. 161.

SENATE BILL 161: Revises the requirements for the inspection of motor vehicles for the control of emissions. (BDR 40-252)

SENATOR COFFIN:
This bill was originally intended to extend the length of time for the exemption from emission testing of new vehicles from two years to three years. These vehicles have an extremely low failure rate, even in the third year. However, due to opposition and wanting to retain the exemption for hybrid vehicles, I have amended this bill as shown in my handout "Proposed Amendment to Senate Bill No. 161" ([Exhibit G](#)). This will allow hybrid cars a five-year exemption from emission testing and is intended to be an incentive to the public to purchase more hybrid vehicles.

TROY DILLARD (Administrator, Compliance Enforcement Division, Department of Motor Vehicles):

The initial fiscal note submitted on S.B. 161 included a three-year exemption for all new vehicles. The proposed amended fiscal note ([Exhibit H](#)) reflects changes in revenue from the anticipated reduction in sales of emission certificates. This revenue will change from \$912,000 in FY 2007-2008 to \$28,626. In FY 2008-2009, this revenue would decrease from \$982,000 to \$32,844. A onetime programming cost of \$8,100 is included in the first fiscal year.

CHAIR RAGGIO:

Does the DMV have any concerns about extending the length of time for emission testing on hybrid vehicles? Does this legislation pertain more to Clark and Washoe Counties?

MR. DILLARD:

The DMV does not have a strong position on either side of the issue. This was decided in agreement with the bill's sponsor and the county air-quality agencies who oversee the State implementation plans.

You are correct. The legislation pertains more to Clark and Washoe Counties.

SENATOR COFFIN:

The reason we amended the original bill had to do with the sensitivity of the air-quality agreements Clark and Washoe Counties have with the federal government. The counties were concerned that if we showed movement toward exemptions, it would be looked upon unfavorably by the federal government. This is only a five-year exemption for hybrid vehicles. We will test them once that time limit has elapsed.

SENATOR BEERS:

If there is no environmental reason to test these vehicles, but the State does not want to lose the money from the sales of emission certificates, we should include another line item on the bill for having them pay more when they register the vehicle. At least they will avoid the inconvenience of having to go to an emissions-testing facility.

SENATOR COFFIN:

Are you suggesting we return to the original idea and fully exempt the hybrid vehicles?

SENATOR BEERS:

As originally written, your bill makes sense from an environmental perspective. However, if our concern is merely the fiscal impact, we should add this surcharge.

SENATOR TITUS:

Why do we persist in emission testing cars in only Clark and Washoe Counties? Adjacent counties have grown rapidly, and many cars from these areas commute into Clark and Washoe Counties, affecting the air quality in those counties.

MR. DILLARD:

The reasons have to do with federal requirements as well as policy decisions made by the Nevada Legislature.

SENATOR TITUS:

How is this issue affected by the recent U.S. Supreme Court decision which includes vehicle emissions in the U.S. Environmental Protection Agency's (EPA) air-quality controls?

ANDREW GOODRICH (Director, Air Quality Management District, Washoe County District Health Department):

Clark and Washoe Counties have been designated as "non-attainment" areas by the EPA. Because of this, they are required by the federal Clean Air Act to implement inspection maintenance programs in those areas.

SENATOR TITUS:

Would it help Clark and Washoe Counties improve their air quality if the numerous vehicles that commute into those counties each day were also checked for emissions?

MR. GOODRICH:

Yes.

SENATOR MATHEWS:

I introduced a bill in the last Legislative Session to do something about this, but there was a great deal of opposition. Now that I hear renewed interest, I will consider reintroducing that measure.

SENATOR COFFIN:

The DMV statistics indicate that less than 2 percent of cars fail emission testing in their first eight years.

CHAIR RAGGIO:

We will close the hearing on S.B. 161 and open the hearing on S.B. 178.

SENATE BILL 178: Makes an appropriation to the University of Nevada, Las Vegas, for special programs and fellowships sponsored by the Black Mountain Institute. (BDR S-1076)

SENATOR TITUS:

The Black Mountain Institute (BMI) at the University of Nevada, Las Vegas (UNLV) was founded in 2006. The Institute is an international center for global discourse on today's most pressing issues. It provides an environment where thinkers and writers from all segments of global society can fight against entrenched perspectives.

CAROL C. HARTER, PH.D. (Executive Director, Black Mountain Institute, University of Nevada, Las Vegas):

Please refer to my handout entitled "Black Mountain Institute" ([Exhibit I, original is on file in the Research Library](#)). The BMI administers the City of Asylum program in Las Vegas. Las Vegas is one of five cities in the United States currently providing sanctuary for writers who have been expelled or exiled from their home countries because they have spoken out against totalitarian governments and regimes. The BMI is a nonpartisan center dedicated to the ongoing discussion of today's most pressing global problems. To do this, we provide "think tank" activities, community programs, residency fellowships and publishing initiatives to writers and artists.

The BMI budget of approximately \$1 million is funded by the UNLV, federal indirect cost-recovery funds and private funds. Senate Bill 178 will provide two years of venture capital, allowing the BMI to attract international attention by hosting high-quality programs. The BMI receives private donations and hopes to

someday receive a major private endowment. We are also seeking funds from the National Endowment for the Humanities.

SENATOR TITUS:

This program has already attracted several Nobel Laureates.

DR. HARTER:

We recently hosted Ms. Toni Morrison, the winner of the 1993 Nobel Prize in Literature. We currently have two other Nobel Laureates with us at the BMI.

SENATOR COFFIN:

Will these writers be able to speak in places around Nevada other than at the UNLV?

DR. HARTER:

These people are in demand all over the world and so can be expensive to obtain. The longer we keep them, the more expensive it is.

SENATOR COFFIN:

We should do as much as we can to help the people who do not command such high fees and are in need of asylum.

DR. HARTER:

The writers and artists in the City of Asylum programs receive help not only from universities in those cities, but from the cities themselves. We are hoping there will be more cities adopting this program. Most of these writers and artists go into classrooms to inspire students.

CHAIR RAGGIO:

We will close the hearing on S.B. 178 and open the hearing on S.B. 194.

The Committee received a letter ([Exhibit J](#)) in support of S.B. 194 from Mr. Stan Vaughn, President of the Kiel Ranch Preservation Committee.

SENATE BILL 194: Makes an appropriation to the City of North Las Vegas for the restoration of historic Kiel Ranch. (BDR S-359)

KIMBERLY J. McDONALD (State Legislative Affairs Officer, City of North Las Vegas):

The City of North Las Vegas supports S.B. 194. I have provided a handout entitled "City of North Las Vegas, SB 194, Senate Finance Committee, Nevada Legislature " ([Exhibit K](#), original is on file in the Research Library). In it, you will find letters of support for the restoration of the Kiel Ranch from the Oral History Research Center at the UNLV, the Preservation Association of Clark County, the Kiel Ranch Preservation Committee and two descendents of the Kiel family.

MIKE HENLEY (Director, Parks and Recreation, City of North Las Vegas):

We are here to request passage of this Legislation which provides an appropriation of \$8.4 million for the restoration and maintenance of the historic Kiel Ranch.

The City of North Las Vegas is working on additional sources of funding for this project. To date, we have received \$68,000 from the Nevada Cultural Affairs Commission to assist with the structural engineering of the adobe structure. We

have also received a preproposal-project plan grant from the Bureau of Land Management (BLM) in the amount of \$356,000 to update the plan for the site.

There is widespread support for this project. The Kiel Ranch is the second oldest settlement in southern Nevada. The site covers about seven acres. It is an historic treasure and should be preserved not only as an educational resource but as a tourist destination.

SENATOR RAGGIO:

Who currently owns and governs this site? How was it acquired? How is it being used?

MR. HENLEY:

The City of North Las Vegas owns and governs the site. It was acquired by way of a donation in 1976. It is not currently being used because of the poor condition of the adobe building and the bracing structure that protects it.

SENATOR RAGGIO:

Twenty-one acres of this site were sold by the City of North Las Vegas in 1990. How was the money from that sale used?

MR. HENLEY:

The \$1,186,789 received from that sale was set aside to create a budget to be used for development of the site. To date, the City has spent about \$800,000 of that money on improvements.

SENATOR RAGGIO:

How would the \$8.4 million appropriation you are requesting in S.B. 194 be used? Would this represent the total cost?

MR. HENLEY:

It would be used to restore the adobe, provide a protective structure to house the adobe, and supply seven acres of park improvement and restoration.

The \$8.4 million represents the total cost.

SENATOR RAGGIO:

Are there other anticipated sources of funding?

MR. HENLEY:

In addition to those previously mentioned, we are also seeking a grant through the Southern Nevada Public Land Management Act.

SENATOR MATHEWS:

In the photograph on page 7 in the Brief Presentation portion of [Exhibit K](#), what is the large concrete structure shown behind the adobe?

MR. HENLEY:

That is a commercial warehouse. The original ranch site was approximately 246 acres, much of which was sold for commercial use.

SENATOR COFFIN:

The City of North Las Vegas has done a poor job until now in protecting this important historical asset. They should have acted sooner, before the old wooden structure at the site burned down.

MS. McDONALD:

The North Las Vegas City Council is dedicated to the importance of the Kiel Ranch and understands the recent demand by the public for its preservation. Prior to this, there was never the appropriate combination of focus, timing, funding and community support.

SENATOR COFFIN:

The public outcry came as a result of the City of North Las Vegas abandoning stewardship of the adobe and letting it deteriorate. I would like to see the City of North Las Vegas putting more of its resources toward this project.

SENATOR RAGGIO:

We will close the hearing on S.B. 194 and open the hearing on S.B. 214.

SENATE BILL 214: Makes an appropriation to Great Basin College for improvements to and operation of the Great Basin Center for Rural Health Education and Services. (BDR S-741)

SENATOR RHOADS:

The Great Basin Center for Rural Health Education and Services facility in Elko is badly in need of repair. Senate Bill 214 would remedy this and provide quality health care to residents of Elko and eastern Nevada.

ASSEMBLYMAN JOHN C. CARPENTER (Assembly District No. 33):

I support S.B. 214. Please refer to the handout "Great Basin College Center for Rural Health" ([Exhibit L](#)). The facility was formerly the Elko Clinic. It is still owned by the Northeastern Nevada Regional Center. Great Basin College has a ten-year, zero-dollar lease. The medical, dental and county health offices in this shared facility are in good order. However, the part of the building to be used by the Great Basin College for training medical technicians still requires remodeling. This is the reason for the appropriation in S.B. 214.

CHAIR RAGGIO:

The bill requests \$1.6 million for improvements to the building and operation of the Great Basin Center for Rural Health Education and Services. How exactly will these funds be utilized? Who will use them? Will you provide both State and local services? Though we have not yet held a hearing on S.B. 439, we also need to know how that legislation might impact this measure.

SENATE BILL 439: Makes an appropriation to the Center for Rural Health at Great Basin College for construction projects. (BDR S-1430)

PAUL T. KILLPATRICK, PH.D. (President, Great Basin College):

The Great Basin Center for Rural Health Education and Services involves a partnership with the Great Basin College, the UNLV School of Dental Medicine, the University of Nevada, Reno, School of Medicine, the Office of Veterans' Affairs, Elko County and the Department of Health Services. Our mission is to serve the underserved. We have been unable to obtain federal funding and so have requested this appropriation.

We also provide medical services to veterans who are unable to make the lengthy trip to the nearest Veterans' Administration Hospital in Salt Lake City, Utah.

CARL DIEKHANS (Vice President, Administrative Services, Great Basin College):
About 22,000 square feet of the building is in need of renovation. Because there are no structural changes required, we have asked to be authorized to manage this construction project rather than the State Public Works Board. We have been successful in the past in managing such projects and keeping the cost low. Please refer to page 4 of Exhibit L for a floor plan of the building and the areas we intend to renovate. We can do the job for about \$1.1 million. In addition, we will need an elevator to access the basement as well as other equipment which will total approximately \$1.6 million.

STEVEN C. HANSEN (Chief Executive Officer, Nevada Health Centers, Inc.):
I support S.B. 214. Our services are available to everyone in the northeast portion of Nevada, including insured, uninsured, Medicare and Medicaid patients. The existing X-ray equipment and new heating- and air-conditioning system break down continually. Replacement of these items will allow the facility to function more effectively. Our company looks forward to someday employing the students who will be trained at this facility.

CHAIR RAGGIO:
How does this relate to the request in S.B. 439 for construction of classrooms, laboratories and faculty offices? Is there an overlap between what is being requested in these bills?

ASSEMBLYMAN CARPENTER:
Senate Bill 214 will provide for the remodeling of the building.

MR. DIEKHANS:
Senate Bill 439 will appropriate \$750,000 for renovation of the facility. This would only allow us to complete minimal construction on about 9,200 square feet of the 22,000 square feet we need renovated. There are no provisions for equipment or staffing in that bill. This is why we need the passage of S.B. 214.

CHAIR RAGGIO:
Because of limited funding, I suggest you either phase this project or prioritize your needs.

SENATOR MATHEWS:
We funded construction for part of this facility in a prior Legislative Session. How much did that renovation cost?

MR. DIEKHANS:
The portion of this facility now used by the Nevada Health Center's Oral Health Clinic was funded in the 2003 Legislative Session. That renovation cost \$250,000.

CHAIR RAGGIO:
We will close the hearing on S.B. 214 and open the hearing on S.B. 296.

SENATE BILL 296: Makes an appropriation to the Commission for Cultural Affairs for the restoration of historic buildings in this State. (BDR S-459)

SENATOR MICHAEL A. SCHNEIDER (Clark County Senatorial District No. 11):
I wish to disclose my wife is on the Commission for Cultural Affairs (CCA).

If we do not soon save our historic buildings, it will be too late. Many of these buildings are in Virginia City. These structures not only represent important historical resources for Nevada but bring much-needed tourism dollars to economically-depressed rural areas.

The CCA receives about \$3 million a year for this effort which is not enough. In 2011, northern Nevada will lose additional political representation. The needs of southern Nevada will then take precedence. Consequently, it will be less likely to obtain funding support for saving these old structures in the northern rural areas.

CHAIR RAGGIO:

Staff has provided the Committee with a list of the CCA grants ([Exhibit M](#)) showing the amounts distributed in each year since 1993. In the last 14 years, the CCA has awarded over \$32 million in grants for restoring historical buildings in Nevada.

SENATOR MARK E. AMODEI (Capital Senatorial District):

Despite the \$32 million the CCA has awarded over the years, we are still losing ground as more and more of these historic buildings fall into disrepair. It may be difficult for the CCA to deal in a responsible manner with a \$25 million infusion in one biennium. I would suggest to this Committee, despite the budget cuts in the rate of growth, provide some one-shot money to this program now. Later, after assessing the economic and cultural impact of that spending and whether it was used effectively to leverage other funding, more funding can be added. By adopting this plan, at least the rate at which we are losing these buildings will be slowed. Once these buildings are gone, they are gone for good.

ROBERT A. OSTROVSKY (Chair, Commission for Cultural Affairs, Division of Museums and History, Department of Cultural Affairs):

This bill, as drafted, does not give the CCA any particular instructions on how to administer these funds. We would be happy to follow any recommendations the Committee might have.

CHAIR RAGGIO:

Is there a particular criterion you would suggest?

MR. OSTROVSKY:

The only limitation we now have is once these buildings are restored, they must be used as community centers of some kind. Some historic sites cannot meet that criteria and have problems obtaining funds. Perhaps that restriction can be lifted. We review \$13 million in grant requests each year and there are plenty of other sites that meet the "community center" criteria.

MICHAEL FISCHER (Director, Department of Cultural Affairs):

I support S.B. 296. The need to save these historic buildings is great.

CHAIR RAGGIO:

We will close the hearing on S.B. 296 and open the hearing on S.B. 226.

SENATE BILL 226: Creates a revolving account for paying the expenses involved in thinning the forests in state parks. (BDR 35-1159)

SENATOR AMODEI:

Fire suppression is important to the entire State. Every ecosystem in Nevada would require 100 years to recover from a fire. The forest around Lake Tahoe has the potential for a catastrophic fire. In the past ten years, this State has devoted millions of dollars to improving conditions around the Tahoe Basin. Yet, if a fire began in adjacent areas and spread to the Basin, all our previous efforts would have been wasted. This bill will allow us to expand into an additional 7,000 acres outside the Tahoe Basin where such a fire is likely to begin.

I recommend we amend S.B. 226 to change the funding from \$500,000 to \$150,000 over the biennium in order to, at least, get started. I cannot guarantee the economic resources we hope to generate from forest products such as biomass, logging and Christmas tree sales will be sufficient to reimburse that initial \$150,000 startup appropriation. However, we must start doing something, because if a fire moves into the Tahoe Basin, it will cost millions to our economy.

ALLEN BIAGGI (Director, Department of Conservation and Natural Resources):
Because funding for it is not in the *Executive Budget*, I cannot officially support S.B. 226. However, I cannot deny the need for forest thinning and fire prevention is important.

CHAIR RAGGIO:

What would this \$150,000 appropriation allow you to do? Would this allow the dead ground cover on the forest floor to be removed? Does it produce revenue?

MR. BIAGGI:

This money would be used in various ways to improve the health of the forest. We can use some material from the forest floor in the biomass power plant at the Northern Nevada Correctional Center. Most of that material is not recoverable and not salable.

SENATOR AMODEI:

There are several components to this revenue idea. In addition to chips for biomass fuel, some material can be converted into soil amendments. Also, there is a large silver tip fir population in those mountains that can be used to supply Christmas trees. This would just be the initial investment in a long-term program. The overall plan allows for some income, but, more importantly, if we do nothing and the forest burns down, it is far more expensive to pay for fire suppression and reforestation.

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

I concur with the remarks made by Senator Amodei and Mr. Biaggi.

SENATOR BEERS:

How far will this \$150,000 go towards accomplishing the activities you just described?

SENATOR AMODEI:

This will start some inmate crews working and also pay for the Nevada State Forester to mark areas of forest so we can act responsibly in terms of the environment.

SENATOR TITUS:

Why was this program not included in the *Executive Budget*?

SENATOR AMODEI:

That is probably my fault. I failed to approach the new Governor to include this in the *Executive Budget*.

CHAIR RAGGIO:

We will close the hearing on S.B. 226 and open the hearing on S.B. 260.

SENATE BILL 260: Makes an appropriation to the Division of Forestry of the State Department of Conservation and Natural Resources for a study of and requirements related to various systems of communication. (BDR S-957)

MARY C. WALKER (Carson City, Douglas, Lyon and Storey Counties):

Carson City, Douglas, Lyon and Storey County governments support S.B. 260. I will now read from my prepared statement ([Exhibit N](#)). This bill appropriates \$450,000 from the General Fund over the coming biennium for the purpose of conducting an engineering study to establish a plan to implement a statewide integrated very-high frequency (VHF) radio system for public entities operating in rural Nevada. The proposed study would identify existing equipment, costs, licenses, frequencies, compliance with national and state homeland security requirements, standard operating procedures, maintenance and future upgrade and a cost-allocation formula for the users of the system.

Senate Bill 260 would also require the current Nevada Highway Patrol's (NHP) VHF radio system not to be dismantled until this study is completed and presented to the 2009 Legislature. This will ensure rural public safety agencies continue to have the communications system they need to provide for the safety of their citizens.

Currently, rural counties operate their public safety communications systems through VHF systems. These systems economically provide required interoperability between local, state and federal public safety agencies. While the urban counties have the financial resources to convert to an 800-megahertz (MHz) radio system, the rural counties do not. Therefore, unless state or federal resources are provided to convert rural communities to an 800 MHz system, the VHF communication system must be retained in rural Nevada.

RICHARD MIRGON (Director of Communications, Emergency Management and Animal Control, Douglas County):

There are many different radio frequency bands used in Nevada over which we have no control. Federal agencies with whom we interoperate are mandated to use VHF. We must be able to communicate with them. Millions of dollars have been invested in VHF equipment and grants fund much of that equipment. The study proposed in S.B. 260 would create a single cohesive plan.

CHAIR RAGGIO:

Why is the Department of Forestry (DOF) the agency conducting this study?

MS. WALKER:

Carson City, Douglas, Lyon and Storey Counties wanted a partner that was equally concerned about the continuing use of the VHF system. The DOF qualified because of their need to continue using this system.

CHAIR RAGGIO:

How was the amount of \$450,000 for this study determined?

MR. MIRGON:

I contacted several engineering consultants, and \$450,000 was the average of the estimates I received.

CHAIR BEERS:

Since the ultra-high frequency (UHF) radio system is not yet functional, I proposed S.B. 365 to authorize the NHP to continue using their existing VHF equipment for at least the next two years.

SENATE BILL 365: Requires the continuation of the VHF Highband Radio Project. (BDR S-1323)

SENATOR TITUS:

We appropriated funds several sessions ago for this. What has been done with that money? The inability for our State's first responders to communicate with one another is a huge problem.

MR. MIRGON:

The new UHF system has been purchased. However, all federal government agencies in Nevada require us to communicate with them on VHF. This presents a complex problem when trying to design an interoperable system.

CHAIR RAGGIO:

The Committee has received a letter from the Office of the Nye County Sheriff ([Exhibit O](#)) supporting S.B. 260.

MS. WALKER:

We cannot develop a comprehensive plan to solve our radio inoperability problem without visiting every mountaintop on which we have a VHS system to see what type of equipment is being used.

CHAIR RAGGIO:

Please refer any additional information you have to our Fiscal staff.

SENATOR TITUS:

I would like a report about what happened to the money we have already spent on the system and studies.

MR. GHIGGERI:

A joint project between the Department of Public Safety, the Department of Transportation and the Department of Administration provides a quarterly report to the Interim Finance Committee on the status of the interoperability project. Staff will provide that to the Committee.

JEFFREY A. FONTAINE (Nevada Association of Counties):

We support S.B. 260. The VHS system is a communications lifeline for the rural portion of our State.

FRANK ADAMS (Executive Director, Nevada Sheriffs' and Chiefs' Association):

The Nevada Sheriffs' and Chiefs' Association supports S.B. 260. We have invested a great deal of money in VHF equipment and believe it is an important component in solving the interoperability problem.

CHAIR RAGGIO:

We will close the hearing on S.B. 260 and open the hearing on S.B. 213.

SENATE BILL 213: Makes an appropriation to the Nevada Northern Railway Museum in White Pine County for improvements to the infrastructure of the facility. (BDR S-262)

SENATOR RHOADS:

White Pine County is experiencing fiscal problems. Without these needed improvements to the infrastructure of the Nevada Northern Railway Museum, the facility might no longer be safe for the public.

SENATOR TITUS:

The Nevada Northern Railway Museum is an important source of historical records as well as railroad equipment. I support this legislation.

MARK BASSETT (Executive Director, Nevada Northern Railway Museum):

I will now read from the handout entitled "Nevada Northern Railway Museum, Nevada's Seventh National Historic Landmark" ([Exhibit P](#)).

Page 2 of [Exhibit P](#) describes all the property maintained by the museum. Page 3 describes our sources of income and the economic impact of the museum on the local economy. Pages 4 through 8 of [Exhibit P](#) list our accomplishments in refurbishing locomotives, railroad cars and structures at the facility. Pages 9 through 12 describe our visitorship.

On pages 13 through 20 is a description of our many infrastructure problems, including severe sewer, water, electrical and fire-suppression issues. We can easily raise money from other sources for refurbishing steam locomotives, yet few contributors wish to pay for infrastructure repairs. On page 20 of [Exhibit P](#) is a list of recommendations for solving these problems. In addition, this handout includes a letter from the White Pine Board of County Commissioners supporting S.B. 213 and a resolution by the City of Ely, also in support of that bill.

DEAN DAY (City Engineer and Public Works Director, City of Ely):

I have provided a handout ([Exhibit Q](#)) describing the water and sewer problems we face as well as an itemized cost estimate of the necessary repairs.

CHAIR RAGGIO:

How would you prioritize these problems? Is there potential for major funding that might address these particular problems?

MR. BASSETT:

The water and sewer issues are our most pressing problems. We have not been able to identify any other sources of funding for funding these repairs.

PETER BARTON (Acting Administrator, Division of Museums and History Department of Cultural Affairs):

Because this is not in the *Executive Budget*, I speak neither in support nor against this bill. However, I would note that the Nevada State Railroad Museum in East Ely shares the same complex with the Nevada Northern Railway Museum. To protect the assets of the State on this property, it would seem prudent to at least obtain additional water supplies to the site for fire suppression.

SENATOR COFFIN:

Can the old water tower on the site be used to store additional water for fire suppression?

MR. BASSETT:

We have been advised by structural engineers that the poor condition of this nearly 100-year-old tower would not allow it to be used for that purpose.

MR. DAY:

The tower is not high enough to provide residual fire pressure or hold the volume of water required by the fire code. We get our fire suppression water from the City of Ely.

CHAIR RAGGIO:

We will close the hearing on S.B. 213 and open the hearing on S.B. 224.

SENATE BILL 224: Makes an appropriation to the Division of Forestry of the State Department of Conservation and Natural Resources to prepare for and suppress wildland fires in this State. (BDR S-988)

SENATOR RHOADS:

Recent large wildland fires in Nevada have made it clear that our State's Volunteer Fire Departments (VFD) need training and better equipment. Consequently, I requested the Nevada Division of Forestry to recommend ways the VFD can be improved. Senate Bill 224 contains some of those recommendations.

LAINE HENDRIX (Chief, Lund Volunteer Fire Department):

I am here in support of S.B. 224. Volunteers provide the largest firefighting force in northeastern Nevada. These volunteers need support in training and safety. Current training can only be provided on a part-time basis. Dedicated training officers would increase the efficiency and effectiveness of the VFD members. Many rural VFDs lack proper training materials and protective equipment. Additional personnel and fire engines would be beneficial to these communities. A full-time fire protection officer would greatly help with the threat of devastating wildland fires. Such fires cost ranchers personal property and grazing land. This creates an adverse impact on the local economies.

MR. FONTAINE:

The Nevada Association of Counties supports S.B. 224. Fire suppression is a top priority for Nevada's counties. Last year, Elko County lost over a million

acres to fire. Our concern is that the U.S. Forest Service and BLM will soon be requiring the states to pay more of the cost of fire suppression. Passage of this measure would help reduce the enormous cost of fighting future wildland fires.

CHAIR RAGGIO:
Who worked on these recommendations?

SENATOR RHOADS:
It was first discussed by a task force created by former Governor Guinn. I then asked the State Forester at the Nevada Division of Forestry to provide cost estimates for training VFD members.

SENATOR TITUS:
Are you aware of a movement to provide the VFD firefighters with workers' compensation for cardiac-related injuries while fighting fires?

MR. HENDRIX:
I am not sure of the current status of that plan. I hope it will be approved because many VFD members are older and at higher risk of heart and lung problems associated with fighting fires.

CHAIR RAGGIO:
We will close the hearing on S.B. 224 and open the hearing on S.B. 348.

SENATE BILL 348: Makes an appropriation to the Division of Forestry of the State Department of Conservation and Natural Resources for support of the Urban and Community Forestry Program. (BDR S-965)

SENATOR TERRY CARE (Clark County Senatorial District No. 7):
This bill requests a General Fund appropriation of \$200,000 for the Nevada Shade Tree Council. The Shade Tree Council is an advisory board to the DOF's Urban and Community Forestry Program. This appropriation would provide matching federal funding to this program.

GERALD MILLER (President, Nevada Shade Tree Council):
I am here to support S.B. 348 and will now read my prepared statement ([Exhibit R](#)). The 1990 U.S. Farm Bill established an urban forestry program in each state. We serve as a 25-member volunteer advisory board to the Nevada Division of Forestry. The urban forestry programs have been successful. Due to recent federal budget cuts, we now have much less funding to provide technical services to Nevada. These services include reducing improper pruning, detecting invasive tree species, water and air-quality issues and teaching landscaping techniques designed to lower fire risk to landowners. The DOF's Urban and Community Forestry Program saves Nevadans money by reducing energy costs with shade and protection from the wind. Our program also reduces air pollution and soil erosion.

HELEN STONE (Executive Director, American Society of Landscape Architects, Nevada Chapter):
In addition to being the Executive Director of the American Society of Landscape Architects, Nevada Chapter, I am Executive Director of the Desert Green Foundation, a consortium of several landscape groups including the Southern Nevada Chapter of the Golf Course Superintendents Association, the Southern Nevada Arborist Group, the Southern Nevada Water Authority and the

University of Nevada Cooperative Extension. All these organizations support S.B. 348.

To help explain what we do, I have prepared a handout ([Exhibit S](#)) which contains a copy of our newsletter *Shades of Green* and a pamphlet entitled *Trees for Tomorrow*.

STEVE CHURCHILLO (Urban Forester, City of Reno):

I support S.B. 348. The Nevada Shade Tree Council has sponsored training classes and workshops through the International Society of Arborists. Certified arborists are in great demand throughout the State and provide a high-quality service to our communities. The Council also helps cities with tree inventory and management plans.

CHAIR RAGGIO:

We will close the hearing on S.B. 348 and open the hearing on S.B. 271.

SENATE BILL 271: Makes an appropriation to the City of Caliente for repair of the access road into the Caliente Youth Center. (BDR S-261)

SENATOR RHOADS:

I have seen the damage to this access road firsthand, and it is extensive.

BRYAN ELKINS (Director, Community Development, City of Caliente):

I am here in support of S.B. 271. My handout ([Exhibit T](#)) contains letters from eight City of Caliente and Lincoln County officials who also support this bill. In addition, you will find four photographs of the flood damage done to the access road.

CHAIR RAGGIO:

How did you derive the amount of \$400,000 necessary to repair this road?

MR. ELKINS:

An engineer provided that estimate in 2005. I am sure those costs have increased since then.

CHAIR RAGGIO:

Can we get a current cost estimate?

SENATOR RHOADS:

This is a state-owned road.

MR. ELKINS:

It is the only road into the Caliente Youth Center. The Department of Health and Human Services (DHHS) administers it.

CHAIR RAGGIO:

I will ask our Fiscal staff to contact the Director of the DHHS to find out what their proposal is on this issue.

KEITH LARSON (Councilman, City of Caliente):

I support S.B. 271.

Senate Committee on Finance
April 16, 2007
Page 20

CHAIR RAGGIO:

We will close the hearing on S.B. 271 and consider introduction of Bill Draft Request (BDR) S-1466.

BILL DRAFT REQUEST S-1466: Extends the reversion for the prior appropriation to the Advisory Council on the State Program for Fitness and Wellness. (Later introduced as [Senate Bill 557](#).)

SENATOR COFFIN MOVED TO INTRODUCE BDR S-1466.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY

* * * * *

CHAIR RAGGIO:

There being no further business before this Committee, this meeting is adjourned at 10:34 a.m.

RESPECTFULLY SUBMITTED:

Michael Archer,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____