

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

**Seventy-fourth Session
April 30, 2007**

The Senate Committee on Government Affairs was called to order by Chair Warren B. Hardy II at 1:39 p.m. on Monday, April 30, 2007, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, 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 Warren B. Hardy II, Chair
Senator Bob Beers, Vice Chair
Senator William J. Raggio
Senator Randolph J. Townsend
Senator Dina Titus
Senator John J. Lee

COMMITTEE MEMBERS ABSENT:

Senator Terry Care (Excused)

GUEST LEGISLATORS PRESENT:

Assemblyman John C. Carpenter, Assembly District No. 33
Assemblyman Tom Grady, Assembly District No. 38

STAFF MEMBERS PRESENT:

Eileen O'Grady, Committee Counsel
Michael J. Stewart, Committee Policy Analyst
Olivia Lodato, Committee Secretary

OTHERS PRESENT:

Charles Lawson, Chair, Stagecoach General Improvement District
Phyllis Hunewill, Chair, Board of Commissioners, Lyon County

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Robert Hadfield, Interim County Manager, Lyon County
Nicole Lamboley, Chief Deputy, Office of the Secretary of State
Bru Ethridge, Notary Administrator, Office of the Secretary of State

Chair Hardy opened the Committee Meeting with the introduction of Assembly Bill (A.B.) 348. He said Assemblyman Carpenter would discuss the bill.

ASSEMBLY BILL 348 (1st Reprint): Revises the boundaries and composition of the Elko Convention and Visitors Authority. (BDR S-422)

Assemblyman John C. Carpenter, Assembly District No. 33, said A.B. 348 changed the boundary line of the Elko Convention Center and Visitors Authority (ECVA). He said the primary reason for the boundary change was to make the boundary line of the ECVA identical with the voting precincts. He said they were currently not identical. Thus, it was expensive and time-consuming for the county clerk to determine who can vote for members of the ECVA. He said A.B. 348 saved the county \$2,000 to \$3,000 in reduced costs of printing two sets of ballots (Exhibit C). He said he was concerned a limited number of people would be subject to the ad valorem tax levied by ECVA. He ran an article in the paper explaining the need for the change. Assemblyman Carpenter said agricultural properties were exempt from taxation, the affected properties were few. He said the mines were most affected, and they agreed to the increased taxation. He said ECVA collected a 4-cent ad valorem tax for \$100 of assessed valuation. In the newspaper article, he requested people contact him with concerns about the tax. He said he had no negative responses.

Chair Hardy said the bill did not have a two-thirds vote requirement. He asked Ms. O'Grady if that was because the legislation was not granting a new authority.

Eileen O'Grady, Committee Counsel, replied he was correct.

Chair Hardy closed the hearing on A.B. 348 and opened the hearing on A.B. 135. He mentioned Ms. O'Grady had said the necessity for a two-thirds majority vote on A.B. 135 was a mistake. It did not require a two-thirds majority but authorized the Board of Trustees to act.

ASSEMBLY BILL 135: Authorizes the Stagecoach General Improvement District to furnish sanitary facilities for sewerage. (BDR S-184)

Assemblyman Tom Grady, Assembly District No. 38, said A.B. 135 authorized the expansion of the Stagecoach General Improvement District to provide sanitary facilities for sewage. He said the District currently provided water. He said the District wanted to add sewage to the list of charges for the General Improvement District. Assemblyman Grady said it was previously discussed with the Commissioners and the Stagecoach General Improvement District.

Charles Lawson, Chair, Stagecoach General Improvement District, said the District was formed in 1984 and functioned successfully since that time. He said nitrates in the water had approached 7.2 parts per billion. Mr. Lawson said 10 parts per billion was the U.S. Environmental Protection Agency limit. He said at 7.2, the state puts the District on a watch list and informs them to prepare to install sewers. Mr. Lawson said the District engineer had done a sewer layout. He said developments being built required sewer as opposed to septic tanks. Mr. Lawson said the District approached Lyon County Commissioners with the request to handle wastewater. He said it was recommended the District bring the request to the Legislature. He said the initial studies for a sewer layout were paid for and completed.

Chair Hardy asked Ms. O'Grady why the bill was written as a declaration.

Ms. O'Grady said it was a special act because it was an alternative method of adding services. Chair Hardy said it was a decision of the Legal Division to write the bill as a declaration.

Assemblyman Grady said the information was brought to the legal staff and drafted for introduction.

Chair Hardy closed the hearing on A.B. 135 and opened the hearing on A.B. 373.

ASSEMBLY BILL 373: Revises provisions governing general improvement districts. (BDR 25-388)

Assemblyman Grady said A.B. 373 authorized county commissioners with a population of less than 100,000 to serve as a board of trustees for a general

improvement district (GID) authorized to furnish streets and alleys. The GID was to be organized on or after July 1. He said the measure provided territory of such a district may overlap territory of other GIDs. Assemblyman Grady said in Lyon County, the county commissioners would be the permanent chair of the GID for roads, streets and alleys.

Phyllis Hunewill, Chair, Board of Commissioners, Lyon County, spoke in support of A.B. 373. She said *Nevada Revised Statute* (NRS) 318 allowed county commissioners to serve as trustees of water, sewer and emergency medical service GIDs. Ms. Hunewill said A.B. 373 expanded those infrastructure needs to include streets and alleys ([Exhibit D](#)). She said Lyon County was one of the fastest growing counties. She said a street and alley GID formed outside the county's incorporated cities would assist in generating additional revenues for the county, [Exhibit D](#). Ms. Hunewill said A.B. 373 changed the limitation imposed by NRS 318 and allowed county commissioners to serve as trustees for streets and alleys.

Robert Hadfield, Interim County Manager, Lyon County, said Lyon County had vastly different regions. He said those regions had different needs with regard to transportation networks. He said having the ability to manage the road districts within the county was more efficient without applying a uniform standard across the entire county ([Exhibit E](#)). He urged the Committee to pass A.B. 373.

Senator Lee asked if the streets were engineered to also act as flood channels.

Mr. Hadfield said the road became flood channels on occasion. He said the roads were engineered to divert water. He said there were many dry lakes in Lyon County. Mr. Hadfield said there was concern about reaching properties during floods due to the different soil conditions throughout the county.

Senator Lee asked if flood control needed to be added to the bill.

Mr. Hadfield said Lyon County preferred to keep the bill as written and deal with the flood issues at a different time.

Chair Hardy said he was unfamiliar with the overlap issue of various general improvement districts.

Mr. Hadfield said there was a number of overlapping general improvement districts. They were mainly water districts as opposed to overlapping sewer districts.

Chair Hardy said they overlapped geographically but not in terms of services. Mr. Hadfield replied he was correct.

Senator Beers asked if the population in Lyon County was close to 100,000 people.

Assemblyman Grady responded the population was over 50,000 now, but officially, the County was under 40,000 according to the last census figures.

Chair Hardy closed the hearing on A.B. 373 and opened the hearing on A.B. 220.

ASSEMBLY BILL 220: Revises certain duties of the Secretary of State. (BDR 18-545)

Nicole Lamboley, Chief Deputy, Office of the Secretary of State, said A.B. 220 was submitted by the Secretary of State. She said the Office was required to submit a biennial report on the business of the Office to the Governor. She said the report was due August 1 in even-numbered years. The bill proposes to change the required date from August to September 15 in order to allow the Office to accurately report the fiscal year numbers. She said the fiscal year is not fully reconciled until mid-August. Ms. Lamboley said the second part of the bill changed the refund payments made for excess payments greater than \$15. She said unrefunded excess payments were deposited with the State Treasurer and credited to the General Fund. This bill allowed any refund the Office could not make within 12 months after the date received to be deposited with the State Treasurer and credited to the General Fund. The bill repealed the provision that allowed the person who made the excess payment to claim a refund with the State Board of Examiners. She said it did not repeal the right of a person to submit a claim for a refund. She said the bill mirrored law in other statutes.

Chair Hardy closed the hearing on A.B. 220 and opened the hearing on A.B. 533.

ASSEMBLY BILL 533 (1st Reprint): Revises provisions governing notaries public.
(BDR 19-543)

Bru Ethridge, Notary Administrator, Office of the Secretary of State, testified in support of A.B. 533. She said the bill was sponsored by the Secretary of State. She said there was no mandatory training or education for the 37,000 notaries in Nevada. Section 1 of A.B. 533 added the requirement for new notaries to successfully complete a course of study before they were appointed as notaries. Section 2 of the bill removed the provision for voluntary training and replaced it with mandatory training for notaries publics (Exhibit F). Ms. Ethridge said section 3 outlined a requirement for a four-hour course of study to be completed by each person applying for a notary appointment for the first time in Nevada. A person renewing an expired appointment and any person fined during the past four years for noncompliance to the statutes and regulations relating to notaries public was required to take the class, Exhibit F.

She said the past year has seen increases in the number of notaries not in compliance with NRS 240. She said 322 notaries were found in violation last year. She said this year there were currently 462 found in violation.

She said notaries were allowed to charge for their services. A citizen or business that needed documents notarized must be assured their documents were notarized correctly, according to the law, Exhibit F. She said a notary education would ensure documents were properly notarized.

Ms. Ethridge said section 4 of A.B. 533 required notaries submit proof they enrolled and successfully completed a course of study. Section 5 of the bill allowed a notary public to notarize the signature of a person unknown to him who provided a credible witness. She said a credible witness was a recognized method of identifying a document signer who was unable to produce identification. She said there were specific requirements both the notary and credible witness must meet to use the credible witness method.

A credible witness was used when the signer was unable to produce any identification. The document signer needed a friend or family member who personally knew a notary. She said in Nevada, an identification card had to have a picture and signature. The notary must know the credible witness who provided the link between the notary and the document signer. She said special wording was required on a notarized document, Exhibit F.

Senator Raggio said the bill made training mandatory for a notary public and required a course of at least four hours. He asked if the courses were readily available and timely. He asked if there were courses other than those provided by the Secretary of State that qualified for the requirement.

Ms. Lamboley said the Secretary of State had looked at the number of courses and training they would provide and the geographic locations to ensure all new notaries had access in a timely manner to the training courses. She said the bill did not allow a third party to be authorized and approved by the Secretary of State. She said no fiscal note was attached to the bill.

Chair Hardy asked why a four-hour course was required to become a notary.

Ms. Ethridge said several components interacted. She said there was a proper order in which a notary conducted business. First, they identified the document signer and read the notary wording. The wording told the notary the requirements. She said there were several types of notary wording in Nevada; if the notary did not have any form of education, they did not know what wording was used as standard acknowledgment.

Senator Lee asked if somebody took the course, did they then receive an affidavit and submit it to the Secretary of State.

Ms. Ethridge said they received a certificate upon completion of the course.

Senator Lee asked how each notary would be tested.

Ms. Lamboley said a current notary with no violations would not be required to take the course. She said the bill was only for new notaries or those who had violations.

Senator Beers asked how many violations had occurred in the last fiscal year.

Ms. Ethridge said 360 violations had occurred so far this year. The violations ranged from neither maintaining a journal, requiring the document signer to personally appear before the notary nor identifying a document signer to accepting a third party's introduction without confirmation.

Senator Beers asked how many new notaries were appointed in a six-month period. Ms. Ethridge said there were 1,600 new notaries this year. Senator Beers asked how many notaries were in Nevada. She replied there were approximately 37,000 notaries in Nevada.

Senator Beers asked about the different levels of vouching for a person's identity. Ms. Ethridge said vouching was done by personal identification, an identification card with a picture and signature or a credible witness.

Senator Beers said it seemed a significant requirement was placed on people who did not need it in order to catch a few people. Ms. Ethridge said only new notaries or people in violation were required to take the test.

Senator Beers said approximately 2 percent of the notaries needed corrective action each year. Ms. Ethridge said they lacked staff to look into all notaries in the state.

Senator Beers reiterated a notary had to take the course if he had a problem. Ms. Ethridge said when fines were imposed on a notary and the person thought it was unfair, their first response was they were not required to take any education. She said the fee for the course was \$39. Senator Beers said he was concerned with the speed in which the education occurred.

Ms. Lamboley said Secretary of State Ross Miller looked at the number of fraudulent or improperly notarized documents. She said people used notarized documents for significant transactions. She added many businesses that had employees serve as notaries contacted the Office and asked for training for their employees.

Chair Hardy said if there were stiffer penalties for misuse, more notaries would take the course. He added four hours was not enough to be significant.

Ms. Lamboley said the penalties were rather significant. She said the issue was no action could be taken without notification of the Office. She said there was no spot-check of documents to see if a notary was complying.

Chair Hardy said the bill appeared to work against itself. Section 5 opened the bill up to a new avenue of fraud. He said a credible witness seem unworkable.

Ms. Ethridge said the credible witness was written into Nevada law many years ago. She said they tried to make the statutes easier for an individual to read. She said they moved and consolidated several provisions. In so doing, they inadvertently left off the credible witness.

Senator Beers asked if studies had been done to determine the number of fraudulent cases that came through the creditable witness versus the photo identification.

Ms. Ethridge said there were no cases of fraud using the creditable witness. She said most fraud occurred because the notary failed to identify the document signer. She said notaries were not maintaining a journal or requiring all document signers to appear before them.

Senator Beers asked how many people took the voluntary class.

Ms. Ethridge said approximately 3,000 notaries a year took the class. She said of those who took a class, only one had been fined.

Senator Beers asked if there were group classes for businesses.

Ms. Ethridge replied they were individuals, single notaries, who worked for a company. She said many notaries did not educate their coworker but had them come to the class.

Senator Beers asked if the notary was cited, was that person required to take a class.

Ms. Ethridge replied there was no such requirement. She said many notaries who took the class had been notaries for many years and had decided they wanted to take some formal training.

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Chair Hardy asked if there was additional testimony on A.B. 533. As there was none, he closed the hearing. He asked if there was any further business for the Committee. He adjourned the meeting at 2:37 p.m.

RESPECTFULLY SUBMITTED:

Olivia Lodato,
Committee Secretary

APPROVED BY:

Senator Warren B. Hardy II, Chair

DATE: _____