

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

**Seventy-fourth Session
March 7, 2007**

The Senate Committee on Government Affairs was called to order by Chair Warren B. Hardy II at 1:33 p.m. on Wednesday, March 7, 2007, in Room 2149 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file 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 Terry Care
Senator John J. Lee

STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

John P. Sande, III, Reno-Tahoe Airport Authority; Reno-Sparks Convention and Visitors Authority
Krys T. Bart, Executive Director, Reno-Tahoe Airport Authority
Scott G. MacKenzie, Field Representative, Laborers International Union of North America Local 169
John Sherman, Finance Director, Washoe County
Michael Fischer, Director, Department of Cultural Affairs
Vinson W. Guthreau, Nevada Association of Counties

Chair Hardy opened the meeting with an announcement Senate Bill (S.B.) 83 was withdrawn from the work session. He said additional work was needed before the Committee discussion.

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Chair Hardy introduced Bill Draft Request (BDR) 28-490.

BILL DRAFT REQUEST 28-490: Provides exception to competitive bidding procedures for certain contracts relating to redevelopment areas. (Later introduced as [Senate Bill 234](#).)

SENATOR TOWNSEND MOVED TO INTRODUCE BDR 28-490.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS RAGGIO AND TITUS WERE ABSENT FOR THE VOTE.)

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Chair Hardy stated he had withdrawn S. B. 83 from the General File and placed it with the Secretary of the Senate. He said the bill dealt with membership on the Grants Management Advisory Committee of the Department of Health and Human Services. He said the Government Affairs Committee wanted to enable the designee or person statutorily identified as the member of the Committee to assign his designee. He said the bill said "designee or representative" and potentially took the administrator out of the decision. He said an amendment was needed to remove the word "representative."

Chair Hardy opened the discussion on S.B. 117.

SENATE BILL 117: Provides an exemption from the Local Government Purchasing Act for certain contracts entered into by the Board of Trustees of the Reno-Tahoe Airport Authority. (BDR S-809)

John P. Sande, III, Reno-Tahoe Airport Authority, said Kyrs T. Bart would explain why S.B. 117 was necessary under federal law.

Kyrs T. Bart, Executive Director, Reno-Tahoe Airport Authority, said there were numerous changes in airport security. She said the Airport Authority had a specific security project, the baggage project, involving the check-in area of the Airport. She said the project was a highly sensitive security project that put a major baggage system behind the scenes. The baggage system was subject to approval by the Transportation Security Administration (TSA) of the

U. S. Department of Homeland Security. She said the project was subject to the Local Government Purchasing Act. Ms. Bart said the actual project was subject to Sensitive Security Information (SSI) restrictions of the U. S. Department of Homeland Security. She said the goal of the Act was ensuring the best price for a project; the goal of the SSI designation was limiting the number of people with information about the methodology of how bags were checked in at the Airport. The TSA considered the project a sensitive security design. She said the TSA contributed over \$7 million to the project where the total cost was approximately \$30 million. She said the TSA had to approve the contractor for the project. Restrictions imposed on contractors meant few met the security requirements imposed on the project. The plans for the project were not public information. She said it made it difficult to bring in contractors to look at the plans. She said the security part of the project prohibited disclosure of integral parts of the project. The Airport Authority was at risk if they eliminated small portions of the project not considered sensitive security. She said the project needed to be done in an integrated approach. Ms. Bart said a change in the statute in S.B. 117 allowed exemption from the purchasing requirements of the statute. She also requested the bill become effective on final passage and approval.

Senator Care asked how many people were involved in the project if S.B. 117 was enacted as opposed to the number if the legislation was not passed.

Ms. Bart said only people approved by the TSA's security background check were allowed to see the plans. If the legislation was not passed, she did not know how the project would be completed.

Senator Care said the concern appeared to be the number of people who had knowledge of the details on the project.

Ms. Bart said the concern was making any of the information public.

Senator Care reiterated his question concerning the number of people who had access to the project.

Ms. Bart said the final plans were not in place.

Senator Care asked if other airports and counties were facing similar problems nationwide.

Ms. Bart said Las Vegas's project was installed when the laws of the Department of Homeland Security were not as stringent.

Chair Hardy asked Ms. Bart if an exemption to the Purchasing Act in *Nevada Revised Statute* (NRS) 332 resolved the problems for the Reno-Tahoe Airport Authority.

Mr. Sande said a separate statute for the Airport Authority existed, and changes generally occurred within the statute.

Chair Hardy asked about the description of the project.

Ms. Bart said SSI was the official term used by the TSA.

Chair Hardy said he was concerned about exemptions and potential projects that might qualify. He asked Eileen O'Grady, Committee Counsel, to research the possibility of specifically referencing federal law in statute.

Ms. Bart said Mr. Sande would work with Ms. O'Grady to determine if there was any deleterious impact.

Chair Hardy asked Ms. O'Grady to research two issues: specific wording in statute and making an exemption in the Purchasing Act.

Ms. Bart stressed urgency in moving the project quickly.

Senator Lee asked what "other natural man-made disasters" meant in the bill.

Ms. Bart said the wording referenced an event similar to a Katrina experience. She said airports would be the primary location for medical supplies and equipment in an emergency of huge magnitude.

Chair Hardy said NRS 332.112 provided a broad exemption for emergencies.

Scott G. MacKenzie, Field Representative, Laborers International Union of North America Local 169, said his organization originally opposed the bill. He said after listening to discussion in the Committee, he favored seeing language changed in the Purchasing Act. He said his organization did not actively oppose the bill.

Chair Hardy closed the hearing on S.B. 117 and opened the hearing on S.B. 162.

SENATE BILL 162: Revises the authority of certain county fair and recreation boards to enter into certain real estate transactions. (BDR 20-834)

Senator Raggio disclosed Mr. Sande was a member of the same law firm.

Mr. Sande, Reno-Sparks Convention and Visitors Authority (RSCVA), testified on S.B. 162. He said the bill allowed county fair and recreation boards to sell, lease or purchase property without approval of the county commissioners. He said the bill exempted golf courses. He said if RSCVA elected to sell either of the golf courses, it had to be presented before the county commissioners.

Senator Care asked who held title to the golf course.

Mr. Sande said it was in the name of Washoe County. Wildcreek Golf Course was kept in the County's name for bonding purposes. He said it was deemed to be owned by RSCVA.

Senator Care asked about all other real property acquired, purchased or leased.

Mr. Sande said the properties were held by Washoe County in trust for the RSCVA.

John Sherman, Finance Director, Washoe County, said the County was neutral on the bill. He said Washoe County had backed \$138 million in RSCVA bonds. He said Washoe County was interested in the financial viability of RSCVA. Mr. Sherman said Washoe County had real property deeded to RSCVA in which the County had financial interests.

Senator Care asked Mr. Sherman if Washoe County had deeded property to RSCVA.

Mr. Sherman responded certain properties turned over to RSCVA for their use did not include golf courses or convention center properties.

Senator Care asked if RSCVA held title and was unable to convey real property due to a statute.

Mr. Sherman said S.B. 162 allowed RSCVA to sell, lease or purchase property.

Chair Hardy closed the hearing on S.B. 162 and opened the hearing on S.B. 196.

SENATE BILL 196: Revises provisions relating to the Department of Cultural Affairs. (BDR 18-548)

Michael Fischer, Director, Department of Cultural Affairs, said S.B. 196 covered specific issues for the Department of Cultural Affairs. He said section 1 of the bill related to Commission for Cultural Affairs bond sales. He said section 1 of the bill allowed inclusion of the premium, face value and interest in the distribution mechanism.

Mr. Fischer said section 3 allowed the Division of Museums and History to receive artifact donations outside the Interim Finance Committee process. He said NRS 353.335 designated the process for gifts, grants and donations to state agencies. He said many donors to the state museum system did not want publicity concerning their donations. He said any donation had to be approved by the Board of Museums and History.

Chair Hardy asked if section 3 applied only to donated artifacts.

Mr. Fischer said he was correct.

Mr. Fischer said section 4 of the bill changed the name of the Nevada Museum and Historical Society to the Nevada State Museum Las Vegas. He said a new facility had been built for the citizens of Clark County and greater southern Nevada. He said focus groups discovered the current name was difficult for the public to understand. He said the goal was to have a marketable name.

Chair Hardy closed the hearing on S.B. 196 and opened the work session with a discussion of S.B. 84.

SENATE BILL 84: Requires the approval of building officials for certificates pertaining to the subdivision of certain buildings. (BDR 22-377)

Michael J. Stewart, Committee Policy Analyst, referred to the work session document ([Exhibit C](#)). He said S.B. 84 had to do with the subdivision of existing

buildings. He said it provided for compliance with appropriate building codes. Mr. Stewart said an amendment had been proposed by Ron Lynn, building director for Clark County Development Services, to clarify the meaning of "applicable building code." The second amendment was suggested by Sean Gamble, Builders Association of Western Nevada. The amendment made S.B. 84 applicable only to Clark County. Mr. Stewart mentioned Senator Beers had requested the number of subdivision requests Clark County received on an annual basis. Mr. Lynn responded 62 subdivisions were processed last year.

Chair Hardy said the first amendment resulted from discussions with the construction industry. He said the second amendment was the major concern of the Committee. He said Mr. Lynn was neutral on the amendment.

Mr. Stewart said S.B. 84 came from the Nevada Association of Counties.

Vinson W. Guthreau, Nevada Association of Counties, said the second amendment was not the preference of the board, but they accepted it.

Chair Hardy said he wanted Senator Beers satisfied with the answers provided by Mr. Lynn. Chair Hardy said he wanted the bill moved to the end of the work session.

Chair Hardy reiterated S.B. 101 was being held for further discussion at a later date. He opened the discussion on S.B. 121.

SENATE BILL 101: Amends the Charter of the City of Sparks. (BDR S-335)

SENATE BILL 121: Amends the Charter of the City of Carlin to change the time for election of certain officers. (BDR S-312)

Chair Hardy said S.B. 121 was introduced by Senator Dean A. Rhoads on behalf of the City of Carlin. The bill changed the general municipal election to coincide with statewide general elections.

SENATOR TOWNSEND MOVED TO DO PASS S.B. 121.

SENATOR LEE SECONDED THE MOTION.

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

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Chair Hardy said S.B. 122 changed the election date for the City of Wells to coincide with the general election date.

SENATE BILL 122: Amends the Charter of the City of Wells to change the time for election of certain officers. (BDR S-292)

SENATOR TOWNSEND MOVED TO DO PASS S.B. 122.

SENATOR LEE SECONDED THE MOTION.

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

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Chair Hardy said S.B. 137 increased from \$25,000 to \$50,000 the threshold at which a local government was required to advertise a purchasing contract ([Exhibit D](#)). Chair Hardy said an earlier concern was whether the \$50,000 was an annual or aggregate amount. He said an amendment had been prepared to clarify the \$50,000 was an annual amount ([Exhibit E](#)).

SENATE BILL 137: Revises provisions relating to local governmental purchasing. (BDR 27-365)

SENATOR TOWNSEND MOVED TO AMEND AND DO PASS AS AMENDED S.B. 137.

SENATOR RAGGIO SECONDED THE MOTION.

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

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Chair Hardy said S.B. 139 related to cooperative or interlocal agreements.

SENATE BILL 139: Revises provisions relating to certain cooperative or interlocal agreements. (BDR 22-485)

Chair Hardy said the bill allowed two or more political subdivisions to enter into a cooperative agreement ([Exhibit F](#)). He said Senator Beers had inquired about having all agreements in writing.

SENATOR LEE MOVED TO DO PASS S.B. 139.

SENATOR TOWNSEND SECONDED THE MOTION.

Senator Titus asked if the motion specified all agreements were in writing.

Chair Hardy said it did not specify a written agreement was required.

Senator Townsend said some incidents occurred quickly and needed an immediate response without having to wait for a written contract. He said flexibility was necessary.

Chair Hardy said the bill did not eliminate the need to put agreements in writing if they exceeded \$25,000.

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

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Chair Hardy asked the Committee if there was any further discussion on S.B. 162.

SENATOR TOWNSEND MOVED TO DO PASS S.B. 162.

SENATOR RAGGIO SECONDED THE MOTION.

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

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Chair Hardy reminded the Committee S.B. 196 was for the Department of
Cultural Affairs.

SENATOR RAGGIO MOVED TO DO PASS S.B. 196.

SENATOR TOWNSEND SECONDED THE MOTION.

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

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Chair Hardy said S.B. 84 and S. B. 117 would be held for a future work session. There being no further business, he adjourned the meeting at 2:16 p.m.

RESPECTFULLY SUBMITTED:

Olivia Lodato,
Committee Secretary

APPROVED BY:

Senator Warren B. Hardy II, Chair

DATE: _____