

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

**Seventy-fourth Session
March 19, 2007**

The Senate Committee on Government Affairs was called to order by Chair Warren B. Hardy II at 1:30 p.m. on Monday, March 19, 2007, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 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 Terry Care
Senator John J. Lee

GUEST LEGISLATORS PRESENT:

Senator Bernice Mathews, Washoe County Senatorial District No. 1

STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

Lora E. Myles
Susan DeBoer, Public Guardian, Washoe County
Ernest Adler, Former Senator
Kathleen Buchanan, Public Guardian, Clark County

Senate Committee on Government Affairs
March 19, 2007
Page 2

Alan Glover, Clerk/Recorder, Carson City
Mary C. Walker, City of Carson City; Douglas County; Lyon County
Susan Swensen, Public Guardian's Office, Carson City
Ernest Nielsen, Washoe County Senior Law Project
Michael Foley, District Attorney's Office, Clark County
Shelly Register, Guardianship Services of Nevada, Incorporated
Dennis Travers, Guardianship Services of Nevada, Incorporated
Kimberly McDonald, City of North Las Vegas
Larry Bender, Redevelopment Manager, City of North Las Vegas
Robert L. Eliason, City Council, City of North Las Vegas
Gregory E. Rose, City Manager, City of North Las Vegas
Joe Cain, Silver Nugget Gaming
Jeff Fine, Silver Nugget Gaming
Peter Demangus, Jerry's Nugget
Tony Marinello, Chief Executive Officer, North Vista Hospital
Dean Leavitt, City of North Las Vegas
Eddie Bensyl, City of North Las Vegas
John Wilson, Vice Chair-Government Affairs, Executive Board, North Las Vegas
Chamber of Commerce; MedicWest Ambulance
Sharon Powers, President and Chief Executive Officer, North Las Vegas
Chamber of Commerce
Nicholas C. Anthony, Legislative Relations Administration, City of Reno
Lisa A. Foster, City of Boulder City
Carole A. Vilardo, Nevada Taxpayers Association
K. Neena Laxalt, Nevada Propane Dealers Association

CHAIR HARDY:

We will open the hearing on Senate Bill (S.B.) 157.

SENATE BILL 157: Revises provisions governing the appointment of a public guardian and the management of the office and cases of a public guardian. (BDR 20-272)

SENATOR BERNICE MATHEWS (Washoe County Senatorial District No. 1):

This is a simple bill to clean up issues for people who need a public guardian. Senate Bill 157 makes a change to chapter 253 of *Nevada Revised Statutes* (NRS) relating to the appointment, management and caseload of the public guardian. This bill provides that each board of county commissioners establish an office of public guardian. Six of Nevada's 17 counties do not have

an office of a public guardian. Typical services fall on elected or appointed public administrators or do not get delivered. There is a need for this bill.

LORA E. MYLES:

This bill was a product of all public guardians in Nevada to address issues and problems that occurred throughout the state. I have provided written comments on S.B. 157 ([Exhibit C](#)). Nevada has seen an increase in the senior population, seniors living alone without family nearby, nursing home placements and elder-abuse cases. As a result, counties are experiencing an exponential increase in the utilization of public guardianship services. We have several counties that do not have public guardians, and that has created a crisis in some counties involving elder-abuse cases. This bill mandates each county have a public guardian and establishes four methods for the counties to appoint a public guardian. The bill also establishes a system to fund the public guardian's office or assists with part of the cost. County commissioners and taxpayers in various counties are creating mandates for public guardians to take cases with assets and charge fees to assist in supporting the public guardian's office.

There is opposition to allowing public guardians to take cases with assets from the private guardianship industry in Washoe County. By restricting public guardians to take cases without assets, we are creating an unfunded mandate on counties and a burden upon taxpayers. Fair competition, even from government entities, is good for private industry. County commissioners are increasingly concerned with liability issues raised by public guardianship and S.B. 157 addresses that issue. It requires petitions appointing a public guardian be signed by the guardian and be given notice on petitions appointing them. Opposition to the proposed language claims allowing the public guardian to sign petitions denies the petitioner due process. The county, as represented by the public guardian, must have the right to refuse cases which are inappropriate for the ward and county. This can be done by allowing the public guardian to review petitions prior to, and have notice of, court proceedings. We have submitted proposed amendments ([Exhibit D](#)) and ([Exhibit E](#)) that clarify the proposed language but do not change intent.

CHAIR HARDY:

Have you seen the other proposed amendments?

MS. MYLES:

I have seen them, but do not support them.

SENATOR LEE:

What is happening in counties without a public guardian?

MS. MYLES:

In one county, they had an elder-abuse case, and the family of the senior could not be appointed guardian because they were the abusive party. The Attorney General was appointed guardian and did not have the time or interest. They coerced the county commission by threat of filing an elder-abuse case against them to have a county official appointed as public guardian. The public administrator was the de facto guardian appointed by the court. However, two months later, he turned the case over to the abusive family members. This situation is happening in counties with no public guardian.

SENATOR BEERS:

Under existing law, could the county commission do nothing?

MS. MYLES:

The county commission has the right to choose whether to do something, and they chose not to. They declined to order the public administrator to take the case.

SENATOR BEERS:

How did the Attorney General get involved?

MS. MYLES:

Elder Protective Services with the Aging Services Division, Department of Health and Human Services, got involved and called the Attorney General. They stepped in because there was no other way to protect the senior. The public administrator in Nye County was voted out of office. He was taking public guardianship cases, but the new public administrator refuses to take any public guardianship cases. We now have many seniors in Nye County left in nursing homes and home situations with no one to protect their rights.

SENATOR BEERS:

What could the county commission in Nye County do?

MS. MYLES:

The county commissioners could order the public administrator take the case. However, they are not mandated to do so. This bill would make it so they have to have a public guardian in the county.

SENATOR LEE:

Can the county commission go to a lawfully trained person in that area?

MS. MYLES:

They could turn the cases over to a private fiduciary service. Since these clients are indigent, the private services are unwilling to take on that many. Some of those cases are near Pahrump where there are no private fiduciary services.

SENATOR CARE:

If the county establishes the office of the public guardian, which it will be required to do, what about section 2 of S.B. 157 where it says the public guardian "may file" for an advance and the board "may approve or deny the request"? Does it get you anywhere? What happens if they create the office, but do not give an advance?

MS. MYLES:

That is up to the county commissioners. In some counties, the public guardian operates from fees they can get out of cases. In other counties, the commissioners pay a salary to the public guardian. It would be up to county commissions to financially handle the office; they just have to create the office.

SENATOR CARE:

Section 9, subsection 2, paragraph (c) states the board of county commissioners shall "contract with a private professional guardian to act as public guardian." What happens when the Legislature says you must establish the office and the county says we could not agree on a contract price?

MS. MYLES:

The bill establishes four options to get the public guardian and one option is to contract with a private professional guardian.

SENATOR RAGGIO:

Under existing law, a ward is eligible to have a public guardian if he is a resident and lacks sufficient assets. That is being stricken and all that is required to be

eligible is to be a resident. Is there no need to have a guardian if there are no assets?

Ms. MYLES:

Washoe County is the only county that requires a ward with no assets is eligible for a public guardian. In other counties, wards can have assets. Striking that language does not change the fact the public guardian is the guardian for those wards who cannot get a guardian any other way.

SENATOR RAGGIO:

Presently, the public guardian in Washoe County cannot take cases if there are assets.

Ms. MYLES:

Existing law states they should take cases where there are no assets. However, in reality, public guardians are taking cases with assets. There are cases where individuals have assets and have abusive or exploitive families where the only guardian they can get is the public guardian. Private guardians are not available in all counties. This will allow the public guardian to take cases with assets, but their primary caseload will be with indigent seniors.

SENATOR RAGGIO:

Does this give them veto power over a private guardian? The bill says you cannot file a petition unless the public guardian approves.

Ms. MYLES:

We removed that language in the amendment. They have to sign the petition and get notice of the petition before the court hearing, but they do not have to approve it.

CHAIR HARDY:

Those are two substantial changes to the bill. It would be helpful if our staff did a mock-up of the proposed amendments before we had a work session on it.

SENATOR CARE:

Are you aware of any other jurisdictions where there is a prohibition concerning residents with assets as currently exists in our law?

MS. MYLES:

Nevada is unique in that respect. California and Utah take any case that crosses their desks including cases with large estates.

CHAIR HARDY:

Section 10 drew my interest also. I understand what you are trying to accomplish, but the other effect would be that everyone is eligible presumably at no cost. Is that correct?

MS. MYLES:

If the ward is indigent, there is no charge. It is up to the court to allow the public guardian to charge fees.

CHAIR HARDY:

What happens if they are not indigent?

MS. MYLES:

The public guardian would be able to petition the court for fees out of the ward's estate. They would have to provide a bill explaining what services they provided to the ward.

CHAIR HARDY:

Your intent in section 10 of S.B. 157 is to allow public guardians to take cases with assets.

MS. MYLES:

That is correct.

SENATOR LEE:

Concerning section 11, who would be the qualifying people in some of the counties that might not have as many attorneys? Do you have to live within the county or can you work across county lines?

MS. MYLES:

The judges prefer it be someone familiar with that judicial district, but you do not have to be from that county. In the rural counties, most judicial districts are composed of three counties. In some counties, the district attorney handles the public guardian cases. It varies by county.

Senate Committee on Government Affairs
March 19, 2007
Page 8

SUSAN DEBOER (Public Guardian, Washoe County):

We want to lend our support to this bill with the amendments. I have submitted written testimony ([Exhibit F](#)).

ERNEST ADLER (Former Senator):

I support this bill because there is a gap when you have individuals with a modest estate, around \$50,000, who are assigned a private guardian. A private guardian can go through that estate rapidly. If those people were referred to the public guardian in the first case, the fees would be nominal and the money would last longer. That is why S.B. 157 is necessary. Fees for private guardians can add up rapidly. For people who have large estates, private guardians are the best thing you can do. These people do a great service, but some people cannot afford it.

SENATOR BEERS:

What regulates the fees of a private or public guardian?

SENATOR ADLER:

The judge approves the fees. Judges are regularly approving fees in the \$125 an hour range for private guardians. I do not know how many times a public guardian has been awarded that level. Attorney fees of \$200 an hour are also regularly approved.

KATHLEEN BUCHANAN (Public Guardian, Clark County):

I lend my support to this bill. Every public guardian's office operates differently. In Clark County, I utilize 16 private attorneys who do pro bono work on 80 percent of my cases. The other 20 percent are paying cases. If I did not have these attorneys, Clark County would have to do all of that work. You would have to pay salaries and benefits. It is a huge savings to the ward and taxpayers.

SENATOR BEERS:

Are the attorneys charging and getting \$200 an hour for cases with money but not charging for cases without money?

Ms. BUCHANAN:

They are not charging \$200. They are at a significantly reduced rate in the Las Vegas area. I have that capped in my office. Attorneys charge \$175 to \$300 an hour depending on their expertise and years of practice. The other

80 percent is pro bono. Within Clark County, the attorneys are paid for work they do on the 20 percent of cases that have varying degrees of money.

SENATOR BEERS:
Would this bill have an impact on Clark County?

Ms. BUCHANAN:
It would have a positive impact on Clark County.

SENATOR BEERS:
I thought we heard earlier that this bill was primarily handling something that was handled differently in Washoe County?

CHAIR HARDY:
I thought we were trying to require that those who did not have public guardians did have them and opening up different options to allow them to do it. How would this change what happens in Clark County?

Ms. BUCHANAN:
It is not going to change. We have private guardians within Clark County and the individuals who want to, can go to a private guardian. The individuals who want a public guardian can come to our office.

CHAIR HARDY:
Section 10 of S.B. 157 would benefit those with assets to receive these services.

SENATOR BEERS:
Do you have cases with assets now in Clark County?

CHAIR HARDY:
According to the law, you are not supposed to. Is that right?

Ms. BUCHANAN:
There is a different interpretation to law.

Ms. MYLES:
This bill would allow Clark County to operate in the manner it is operating.

CHAIR HARDY:

Other than section 10, the bill does not have an impact on the way they are doing things in Clark County.

MS. MYLES:

It does have some impact. It creates the ability for the county to operate by statute.

CHAIR HARDY:

It is my intent to put this bill in an informal working group with Senator Beers and Senator Lee. We need to work through the amendments and find out what the changes are.

ALAN GLOVER (Clerk/Recorder, Carson City):

We support this bill. I am the public administrator of Carson City and used to be the public guardian. Since the public guardian duties were consuming 60 percent of my time, years ago I convinced the Ormsby County Commissioners and Board of Supervisors to appoint a public guardian. The budget for the public guardian's office is about \$100,000 a year. Of that, we generate an average of \$40,000 in fees. Being close to Storey County, which does not have a public guardian, I have been appointed on occasion by the judge to do the job because there was no one else to do it.

CHAIR HARDY:

That seems to happen often. If there is no public guardian, the public administrator is appointed.

MR. GLOVER:

When I first started, we only had three or four cases a year. Now there are 30 to 50.

SENATOR CARE:

Do we need the language in sections 2 and 3 in state law? Is this language restoring upon the county a power it does not already have or clarifying what might be current practice elsewhere?

MR. GLOVER:

When I first started as a public guardian, we used to do this. Until Susan Swensen became public guardian of Carson City, I went to the Board of

Supervisors with a list of people we were going to take once a month. They never turned one down, but we made sure that was in the best interest of the ward before we went to the Board. In some cases, a guardian is not appropriate and you can do it in other ways.

SENATOR BEERS:

I did a search on the Internet, and there are people complaining they have been made a guardian without their consent. How does this work in Carson City? Do the cases have to become indigent before they can become a ward of the public guardian?

MR. GLOVER:

Eighty-five percent of our cases are indigent, but there are some who have money. Years ago, you had to have a medical doctor certify they are in need of a guardian. We must have in writing that these people are incompetent and need a guardian. We do not believe government should be involved in people's lives unless absolutely necessary.

MARY C. WALKER (City of Carson City; Douglas County; Lyon County):
We support S.B. 157 with the amendments.

SUSAN SWENSEN (Public Guardian's Office, Carson City):
I approve of the bill and the amendments.

SENATOR BEERS:

How will this bill change your life?

MS. SWENSEN:

This bill will not change my life as far as guardianships that I handle. I have 15 percent that pay fees to the city and that needs to be cleared up. I have demanded that I sign petitions so that is already happening in this county, but it needs to be changed for other counties where it is not happening.

SENATOR BEERS:

Is that to approve a private guardianship?

MS. SWENSEN:

No, that is a petition to be the temporary and permanent guardian. In some counties, the public guardian does not know they are being petitioned.

SENATOR BEERS:

They do not know they are going to take over the person's life?

MS. SWENSEN:

Correct.

MR. GLOVER:

When I first came in, a judge would appoint me as the guardian without my knowledge. I would not know until the file showed up on my desk a few days later.

SENATOR LEE:

The 15 percent who are not indigent is the contention point in this bill. Private industry wants to have control of people's estates that have money. You are saying there are people who have a small amount of money we want to preserve it. Can you establish what that point is before it becomes an issue?

MR. GLOVER:

I do not think it is a dollar amount. Sometimes the attorney will come to the public guardian first because they think it is more appropriate. Law firms will go to a private guardian because they have a relationship with the guardian and know their client has enough assets to pay the fees. It is a give-and-take situation. If we were cut out of any fees, we would have a tough time supporting our office.

ERNEST NIELSEN (Washoe County Senior Law Project):

The Senior Law Project is frequently appointed by courts to represent the proposed wards in these cases so we frequently see the role of the guardian. We support this bill as far as it provides a guardianship safety net in rural counties, but we have some concerns and have submitted written testimony ([Exhibit G](#)). We are concerned with deletion of the assets test in section 10. The public guardian can only charge a fee that is equivalent to their costs during the lifetime of the ward. Once the ward passes away, statute allows them to charge above cost.

Our primary issue is the addition of the residency requirement. One of Ms. Myles's amendments might address this issue. We would support not having the residency requirement be part of the temporary guardianship. Rather than putting the focus on the ward or the proponents of the ward to prove they

are residents of that county, it is appropriate to make sure we only bar the public guardian from becoming the permanent public guardian if that person is a resident of some other state or county. Concerning section 11, we have always wanted a general menu of alternatives for the public guardian to choose from for having an attorney represent them. With the changes established in [Exhibit G](#), we would support S.B. 157.

MICHAEL FOLEY (District Attorney's Office, Clark County):

We advise the public guardian in Clark County. A public guardian can represent someone even though they have assets. If they have no assets or they have no friends or relatives who can act as guardian, our public guardian can represent them. We will wait and see what the working group comes up with in terms of the bill.

CHAIR HARDY:

We will now go to the opposition testimony on S.B. 157.

SHELLY REGISTER (Guardianship Services of Nevada, Incorporated):

I am a professional private guardian. I would like to support this bill, but I have concerns with section 10 and have proposed amendments to address those concerns ([Exhibit H](#)). When we take a case, we believe that person has sufficient assets. We keep that case even if the person runs out of money. We do not take fees after they run out of money. There is confusion over the language in section 10, subsection 1. I would like to see it cleaned up. There are no private guardians in Clark County; I wonder if it is because they would have to compete with the Clark County Public Guardian's office for cases. We do not object to the public guardian getting money cases, it is a matter of cases where there are sufficient assets for a private guardian. The issue of residency was brought up; if a person is in a nursing home, you have to look to their original residency. If someone goes from a rural county to a larger county like Washoe or Clark County, those people should be served by the rural county. However, many times they are under the public guardian in the large county because there is a lack of public guardians in rural counties. The first part of this bill that would establish public guardians would help that.

MS. BUCHANAN:

I would just like to clarify that Clark County has many private guardians. I proctor the exam through the National Guardianship Association.

CHAIR HARDY:

It is either a cleanup or policy decision that needs to be made.

SENATOR RAGGIO:

How would you respond to concerns about cases where there are assets and the cost of a private guardian dissipating those assets than if a public guardian was utilized?

MS. REGISTER:

Assets the person has should be a consideration, but not all private guardians are at the high rate of \$125. The county commissioners decide what each public guardian may charge. The Carson City Board of Supervisors authorized their public guardian to charge up to \$180 in cases where there are assets. That far outweighs our \$110 charge set by the private guardian, and if the judge thinks that is too much, they can disallow that rate.

SENATOR RAGGIO:

Do all cases go to court?

MS. REGISTER:

All fees from an estate must be approved by the court, just like attorney fees.

SENATOR BEERS:

We were told the judge determines what the public guardian fees are, but you said the county commission sets the schedule.

MS. REGISTER:

Ultimately, the judge approves all fees: public or private. Public guardians submit their charges, which are set by the county commissioners, to the court for approval.

CHAIR HARDY:

So the county commissioners set a schedule, but the judge is not bound by that. There is some confusion, and I am asking the working group to look at that issue.

MS. REGISTER:

I oppose the signing. Due process is met by notice to the public guardians. I would have no problem to a consent, but ask that there be some alternative in

case a public guardian is not available. If the public guardian is unavailable or does not agree, that should not stop a third party from filing a petition and asking the court to decide.

SENATOR CARE:

Fifty-thousand dollars might not be a lot of money depending on the time period. Give me some idea of the experiences that you had regarding fees and how those add up over a period of years.

MS. REGISTER:

Fee situations depend on needs of the ward. The first three months are the most difficult time because you have to address property and resources. Those kinds of funds can last two or three years depending upon the situation. It is not that much money when you talk about a person in care. The same thing can happen if they are in public guardian care.

DENNIS TRAVERS (Guardianship Services of Nevada, Incorporated):

Generally, I support S.B. 157. I have requested some changes ([Exhibit I](#)). It would benefit the citizens of Nevada to have official public guardians in all rural counties. However, a government guardian is not an entitlement. I do not feel it is proper to set up a mechanism in the law that allows a tax-supported agency to be in competition with the private sector. We have discussed where the cutoff should be and where sufficient funds are and that could be \$50,000 to \$75,000. No one wants to impoverish these individuals by charging fees to be their guardian, but it is not government responsibility to provide these services when the ward can afford to pay for them. When the public guardian keeps these cases, it adds to their already-large caseload.

CHAIR HARDY:

We will close the hearing on S.B. 157 and open the hearing on S.B. 200.

SENATE BILL 200: Extends the duration of certain redevelopment plans.
(BDR 22-358)

KIMBERLY McDONALD (City of North Las Vegas):

I have presented a brief presentation of S.B. 200 ([Exhibit J](#), original is on file in the Research Library). The purpose of S.B. 200 is to fix the problem of an inconsistency regarding the termination or sunset dates for redevelopment agency plans currently listed in NRS 279.439. On page 4 of the bill, the text of

the repealed section achieves this by changing the termination date for all of our redevelopment agencies to be the same at 45 years.

LARRY BENDER (Redevelopment Manager, City of North Las Vegas):

I am in support of S.B. 200 because current redevelopment law has two different sets of termination dates depending on when the redevelopment agency was created. The first provision concerns agencies created prior to 1987 and gives them up to 45 years before termination. The second provision concerns agencies created after 1987 and gives them a 30-year sunset date. Both of North Las Vegas's redevelopment agencies were established after 1987. Since our downtown district was formed in 1990, the redevelopment dates terminate in 2020. Only in the past three to five years has the private sector begun to respond to efforts in our redevelopment areas. A 30-year termination date inhibits bonding capacity and places doubts in potential developers' minds regarding the public sector's ability to match private sector commitment.

In 1997, the original 30-year termination date was recognized to be insufficient, resulting in a change in the law extending the sunset date to 45 years. However, this change only applied to the cities of Las Vegas, Reno and Sparks. North Las Vegas was not included because its agencies were established after 1987. This creates a dilemma since the response to our redevelopment goals has only been recent and the law's two-part criteria jeopardized our momentum. This momentum includes the City Council's commitment to building the new City Hall in downtown North Las Vegas as well as nearly \$800 million in new projects.

CHAIR HARDY:

Can you help the Committee understand why you are adversely affected by the law when it comes to financial and bonding issues?

MR. BENDER:

Our downtown area has 13 more years in existence under present law. It does not give us the bonding capacity to have a 20-year bond. The people investing in our downtown are committed to the area because the public has a commitment. They are willing to invest their money, and they expect the public sector to invest money in improvements to revitalize the downtown area.

Senate Committee on Government Affairs
March 19, 2007
Page 17

ROBERT L. ELIASON (City Council, City of North Las Vegas):
I support S.B. 200.

GREGORY E. ROSE (City Manager, City of North Las Vegas):
We support S.B. 200. The bonding capacity is not the only factor that enables us to redevelop the area. The City Council has invested millions of dollars in graffiti abatement. We started by establishing a vision and knew we had to clean up the area. We put a lot of effort into doing that. The issue of extending the redevelopment dates to enable us to bond is critical. There are many road improvements that will be crippled if we are not successful in getting the bill approved.

SENATOR CARE:
Can we find out if there are other redevelopment agencies outside of North Las Vegas that have run into the same situation?

MR. BENDER:
Every redevelopment agency that has plans created after 1997 including Mesquite, Boulder City and Clark County has run into this.

CHAIR HARDY:
We will get a more complete list.

SENATOR LEE:
If we extend this, it would extend the amount of time left of 13 years by 15 years. Does that mean the redevelopment area would have 28 years left?

MR. BENDER:
That is correct.

SENATOR LEE:
If we do not pass this bill, we can expect no more money to be invested in downtown North Las Vegas.

MR. BENDER:
We have private-sector investments interested in developing in downtown North Las Vegas now, but the public sector needs to make a commitment at the same time. To do that, we use redevelopment funds where possible because of the other needs in the community.

SENATOR LEE:

If this bill does not pass, will that be an end to those conversations with private-sector interests?

MR. BENDER:

That is correct, and it will jeopardize people we are talking to who are drawn to North Las Vegas because of current efforts.

JOE CAIN (Silver Nugget Gaming):

Our company owns about 26 acres in the downtown district and we have ambitious plans for the land. Many of those plans are going to be long term, and in terms of financing, 13 years goes by quickly. We support S.B. 200.

JEFF FINE (Silver Nugget Gaming):

The redevelopment activity that started prior to us is what drew us to the downtown area. We support S.B. 200.

PETER DEMANGUS (Jerry's Nugget):

I support passage of S.B. 200. Jerry's Nugget is dedicated to investing in downtown North Las Vegas. Senate Bill 200 would enable the business community and our customers to enjoy a synergistic climate where people want to be. I have been with Jerry's Nugget for over 13 years and have never seen this type of interest in the downtown area. This bill is needed to revitalize this blighted area.

TONY MARINELLO (Chief Executive Officer, North Vista Hospital):

We strongly support S.B. 200. North Vista Hospital has been a partner with the City of North Las Vegas for over 45 years. We have invested over \$25 million over the last 3 years. We are dedicated and committed to the quality of North Las Vegas to expand services as we continue to grow.

DEAN LEAVITT (City of North Las Vegas):

This bill would help North Las Vegas create pivotal centers for development and redevelopment. I support S.B. 200.

EDDIE BENSYL (City of North Las Vegas):

The majority of citizenry of the mature area of North Las Vegas welcomes the new efforts and businesses that are coming to the area to make our standard of living higher. We support S.B. 200.

Senate Committee on Government Affairs
March 19, 2007
Page 19

JOHN WILSON (Vice Chair-Government Affairs, Executive Board, North Las Vegas Chamber of Commerce; MedicWest Ambulance):
We support S.B. 200 for all the reasons previously presented.

SHARON POWERS (President and Chief Executive Officer, North Las Vegas Chamber of Commerce):
Downtown North Las Vegas is in need of revitalization, and it has been occurring. We would like to see the redevelopment continue to move forward. We support S.B. 200.

NICHOLAS C. ANTHONY (Legislative Relations Administration, City of Reno):
The City of Reno supports S.B. 200.

LISA A. FOSTER, (City of Boulder City):
We support S.B. 200. Boulder City has a new redevelopment agency and this bill would be beneficial in our effort to revitalize.

CHAIR HARDY:
We will now take testimony in opposition to the bill.

CAROLE A. VILARDO (Nevada Taxpayers Association):
We strongly oppose S.B. 200. The change of dates was done to accommodate an increase from 15 percent to 18 percent to be used for the affordable housing component in the redevelopment language that existed at that time. The entities whose time frame was coming up would not receive enough money from the 3-percent difference in the increment. The split on time frame was to give those agencies time to generate sufficient funds from the additional 3 percent to use for surrounding areas.

For every area I have been able to check, I cannot find a redevelopment law that allows the existence of an area longer than 25 years. You are able to accomplish something within that time frame or you cannot accomplish it. Last session, this body passed tax-increment financing for infrastructure. One of the biggest problems with existing redevelopment laws is that it is used for everything but redevelopment. To extend it to the entire state without changing a number of provisions in existing law does a disservice to taxpayers. There is a bond issue in Clark County for schools that occurred prior to 1995 when we removed school bonding outside of the increment component for redevelopment. The operating component in redevelopment for schools is not

outside that tax increment. For all the additional money that you want, you have to look at the impact on schools. We want to see schools get the funding they need. It is incumbent on the body to take a look at expanding the tax-increment financing for infrastructure, which can be used when the life of the bonds is finished. It does not include school-operating or school-debt expenses within that increment. For those reason, I oppose this bill.

SENATOR CARE:

Elaborate on the rationale. When I read the bill, I thought this was a drafting oversight, but you are saying it was a conscious decision.

MS. VILARDO:

That is correct. I can get the minutes from the meeting and the bill. There were two Assembly bills: one dealt with affordable housing and one was a redevelopment bill that added a committee to look at housing and redevelopment issues. Since the bills had similar objectives, there was addition of an amendment to increase the increment from 15 percent to 18 percent within the redevelopment agency for housing. When the City of Las Vegas testified, they said they only had a short time frame left and the 3-percent increase over that time frame would not allow sufficient funds for them to carry out the intent of the bill. The time frame was extended to give life to the City of Las Vegas redevelopment area.

SENATOR CARE:

How is economic development detrimental to taxpayers?

MS. VILARDO:

There are no accommodations in redevelopment law for schools, yet there is a constant concern about funds going to education. States that have tax-increment financing for redevelopment have very tight definitions for blighted areas and have another set of conditions for economic development and infrastructure financing. This bill extends to all redevelopment agencies in the state and opens Pandora's box.

SENATOR LEE:

You are almost making the case that what happened to Las Vegas years ago is now happening to North Las Vegas. There was a short time frame and they could not accomplish their goals. This will add 18 years to existing goals of the City. Each of the cases makes our community a better one. Can you show me,

as a constituent, why this would hurt if the money is put back into our community for the next 18 years?

MS. VILARDO:

North Las Vegas has districts: school, justice court and county operating. All of these districts do not accrue any increment from extending the time frame. Successful redevelopment areas do not need a longer life than 25 years. A lot of redevelopment is used for economic development because of the infrastructure that is needed. Douglas County has no blighted areas, but because of how broad our definitions are, Douglas County used redevelopment to create roads and infrastructure so the shopping centers could be built at the north end of the valley. It benefits the citizens of that area. However, if you succeed in that base part of getting the beginnings of your redevelopment, you should be able to do that within the 25-year period. You will still need new infrastructure, which was part of the discussion from last year about creating infrastructure financing so that we were not impacting school and county operating money.

The taxpayer benefits but they benefit when there is a reasonable time frame to do something and utilize the increment. The property values go up, but you have not allowed the other entities that need that money to use the increment. The tax increment is frozen because it goes to that redevelopment area and not to the city operating general fund.

CHAIR HARDY:

There is no question about liberties we have taken with redevelopment areas. However, I want to find a mechanism to address the issue taking place in North Las Vegas.

MS. VILARDO:

I suggest we take another look at the tax-increment financing mechanism from last session and see if you need to expand the purpose for which that is used. That is more narrowly defined than redevelopment.

SENATOR RAGGIO:

This bill would have general application to all redevelopment agencies. The purpose of restricting the time limit on these agencies was exactly how Ms. Vilardo indicated. I am concerned about the impact on the other tax-supported functions.

MS. VILARDO:

You had an incident in the City of Reno redevelopment area where it was not taking off the way it should. However, the part that was successful required more police. You had the increment going to redevelopment and not to the general fund so a special assessment was put in.

SENATOR CARE:

You cannot have a redevelopment area if the area has no original development within it to begin with. I am looking at the North Las Vegas redevelopment areas. What was there?

MS. VILARDO:

That was my point of reference to Douglas County. Douglas County received 7,000 acres of land from the U.S. Department of Interior, Bureau of Land Management. They originally wanted to put in a redevelopment district because they needed to improve the roads and waterlines. Through a series of hearings, it was allowed because you only needed to have four of the conditions. We are too loose, definition wise, in creating redevelopment areas.

SENATOR LEE:

You are worried about encompassing the world. Is there any way we could modify the date? I would still like to see North Las Vegas have those 18 years. I am looking for solutions.

CHAIR HARDY:

Is there a process to renew a redevelopment area?

MS. VILARDO:

It used to be that a redevelopment agency expired at the end of the bond. We constantly expanded the redevelopment area so the agency would never expire. A change was made in the mid-1990s so that the redevelopment agency can continue. It creates areas, and those areas are not supposed to exceed more than 10 percent of the assessed value of the property. You can always tighten those laws up.

CHAIR HARDY:

There may be some wisdom in doing that. Perhaps we can look at expanding a redevelopment area if it is meeting specifically defined goals. I am requesting

you work with the people from North Las Vegas to see if you can come up with a way to accomplish their goals and not do violence to your issues.

MS. VILARDO:

I will work with them, but I have tight criteria that might not be acceptable.

CHAIR HARDY:

We will close the hearing on S.B. 200 and open the hearing on S.B. 145.

SENATE BILL 145: Revises provisions relating to public utilities and fees.
(BDR 31-936)

K. NEENA LAXALT (Nevada Propane Dealers Association):

This bill is to stop confusion and clarify two areas of statute that are in conflict. We have two areas of statute we are dealing with: NRS 354 concerning budgets of local government and NRS 704.030 concerning regulation of public utilities. In NRS 704.030, propane is exempt from the regulation of public utilities. I have provided an explanation as to why propane is typically not included in the definition of a public utility ([Exhibit K](#), original is on file in the Research Library). However, when NRS 354 was put into place, they used the broad term of "gas" in talking about providing a definition of a public utility. I looked at the minutes for that meeting, and it was clear the intention was to be for natural gas. For some reason, they did not clarify that so we are requesting to put the same exemption in NRS 354 as is in NRS 704.030. We have had some confusion with local governments that have been trying to impose fees upon propane franchises.

CHAIR HARDY:

Gas companies that transmit and sell natural gas are included as regulated utilities under the Public Utilities Commission (PUC) of Nevada. Propane is not. However, NRS 354 just says "gas" so propane is getting pulled in.

MS. LAXALT:

The term "gas" can include butane and methane. There is one area of statute where propane is considered a public utility. Under NRS 704.020, a system that distributes gas to ten or more users within one system is where propane can be considered a public utility. We are regulated by the PUC in that circumstance.

Senate Committee on Government Affairs
March 19, 2007
Page 24

CHAIR HARDY:

I wanted to make sure there was not a specific reason why the bill was drafted this way. Section 1, subsection 1, paragraph (a) of S.B. 145 refers back to NRS 704 which then refers back to NRS 590.465 through NRS 590.645. Is there a reason it was not referenced?

MS. LAXALT:

I was not involved in drafting the bill.

Senate Committee on Government Affairs
March 19, 2007
Page 25

CHAIR HARDY:

We should reference NRS 590.465 through NRS 590.645 to make it clear for the public. We will close the hearing on S.B. 145 and wait to process the bill. This meeting is adjourned at 3:48 p.m.

RESPECTFULLY SUBMITTED:

Erin Miller,
Committee Secretary

APPROVED BY:

Senator Warren B. Hardy II, Chair

DATE: _____