

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

**Seventy-Fifth Session
February 5, 2009**

The Committee on Government Affairs was called to order by Chair Marilyn K. Kirkpatrick at 8:01 a.m. on Thursday, February 5, 2009, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/75th2009/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn K. Kirkpatrick, Chair
Assemblyman David P. Bobzien, Vice Chair
Assemblyman Paul Aizley
Assemblyman Kelvin Atkinson
Assemblyman Chad Christensen
Assemblyman Jerry D. Claborn
Assemblyman Ed A. Goedhart
Assemblywoman April Mastroluca
Assemblyman Harvey J. Munford
Assemblywoman Peggy Pierce
Assemblyman James A. Settelmeyer
Assemblywoman Ellen B. Spiegel
Assemblyman Lynn D. Stewart
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblyman Mark A. Manendo, Clark County Assembly District No. 18
Senator Warren B. Hardy II, Clark County Senatorial District No. 12

STAFF MEMBERS PRESENT:

Susan Scholley, Committee Policy Analyst
Scott McKenna, Committee Counsel
Cynthia Carter, Committee Manager
Michelle Smothers, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Steve Sanson, President, Veterans in Politics, Las Vegas, Nevada
Ronda Baldwin Kennedy, Member, Auxiliary Veterans in Politics,
Las Vegas, Nevada
Tim Tetz, Executive Director, Nevada Office of Veterans' Services, Reno,
Nevada
Alexis Miller, Legislative Relations Program Manager, City of Reno, Reno,
Nevada
Alex C. Woodley, Code Enforcement Manager, Community Development,
City of Reno, Reno, Nevada
Keith Lynam, Legislative Affairs Committee Chairman, Nevada
Association of Realtors, Reno, Nevada
David L. Howard, representing the National Association of Industrial and
Office Properties, Reno, Nevada
Bill Uffelman, President and CEO, Nevada Bankers Association,
Las Vegas, Nevada
Jay Parmer, representing the Builders Association of Northern Nevada,
Reno, Nevada
Robert F. Joiner, Government Affairs Manager, City of Sparks, Sparks,
Nevada
John Slaughter, Director of Management Services, Washoe County,
Reno, Nevada
Adrian P. Freund, Director of Community Development, Washoe County,
Reno, Nevada
John B. Hester, Community Development Director, City of Reno, Reno,
Nevada

Gregory F. Peek, Vice President, ERGS Properties, Reno, Nevada
Randal L. Walter, President, Places Consulting Services, Inc., Sparks,
Nevada
James Wadhams, representing the Southern Nevada Home Builders
Association, Las Vegas, Nevada

Chair Kirkpatrick:

[Roll called. The Chair reminded Committee members, witnesses, and members of the audience of Committee rules and protocol.] We are going to open the hearing on Assembly Bill 3.

Assembly Bill 3: Requires each plot in each veterans' cemetery in this State to be landscaped with turf grass. (BDR 37-197)

Assemblyman Mark A. Manendo, Clark County Assembly District No. 18:

I bring forth A.B. 3 on behalf of the Advisory Committee for a Veterans' Cemetery in Southern Nevada, of which I am a member. I have raised money for the veterans' cemetery, and I have volunteered time. I have friends who are buried there, including my father, who is buried at Southern Nevada Veterans Memorial Cemetery.

The basic intent of this piece of legislation is to make sure the areas around the graves stay natural turf grass. We have all seen how beautiful many cemeteries are. A few that come to mind are Davis and Palm. If you have been to Arlington National Cemetery, it is just awe-inspiring.

Right now our veterans' cemeteries have natural turf, and we would like to keep it that way. The Advisory Committee has asked me and Senator Hardy, who is a joint sponsor on this bill, to work on this piece of legislation. Again, the intent is to keep the areas immediately surrounding the plots green.

We understand there are areas that could be immediately surrounding the plot, a few feet away, that may have a sidewalk or a bench, and underneath the bench there could be a piece of cement to keep the bench sturdy. It is not our intent to remove sidewalks to put in grass. It is not our intent to turf areas of the cemetery that may have vaults already in the ground but no remains in them.

That is not what we are going after with this piece of legislation. We would like to keep the areas around the particular plot green with natural grass. There are some cemeteries that have gone to desert landscaping. If you are disabled and use a cane or a walker or if you have a motorized scooter, it could be very difficult to get to your loved one's plot. If you want to have a picnic lunch or want to get on your knees and say a prayer, it would be a lot more comfortable

doing that on natural turf, rather than on rocks. Thank you for hearing this bill, Madam Chair and Committee members.

Assemblyman Claborn:

I want to make Assemblyman Manendo aware that the very first phase of this cemetery was built in Boulder City. I was the business representative for the operating engineers and a member of the board of trustees through our apprentice program for the operating engineers Joint Apprenticeship and Training Committee (JATC). The JATC took the equipment to Boulder City and built the first phase of the cemetery from the ground up.

We are facing a grave danger in this session with all the cutbacks. The JATC funding has been cut already. I have another bill that I am trying to find private money to continue our apprentice program, or it will revert to government standards, which is something these local contractors cannot live with. Anyway, I got a chance to put a plug in for my bill for JATC. We do all kinds of things, such as build parking lots for churches, and we do it free. We teach kids how to run the equipment for the operating engineers, and we are so proud of our apprentices.

Chair Kirkpatrick:

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

Assemblyman Settelmeyer:

Just for clarification so we have legislative intent. The terminology "immediately surrounding area" needs more understanding and clarification. If they want to do something else in the common areas, that is fine. I understand what you are trying to do. I just want to get it on record what you want to do.

Assemblyman Manendo:

I do not know what the legal determination would be of "immediately surrounding area." It is the intent that the "immediate surrounding area" refer to the headstones and area immediately around them. Immediately surrounding the plot you have the grass around those areas, and you have some areas of walking. Those are all grass now.

The intent is in the area where you have the actual headstones. We understand there are common areas that have beautiful desert landscaping, but it is not our intent to change those particular areas.

Assemblyman Goedhart:

In Pahrump we have a veterans' cemetery that was established over the last few years. To my recollection, we do not have any grass there yet. Is this going to relate to every veterans' cemetery in the State of Nevada, or could there be a way to opt out of it depending upon the local cemetery board's discretion?

Assemblyman Manendo:

I do not know if that is an official veterans' cemetery.

Assemblyman Goedhart:

The cemetery is classified as a veterans' cemetery in Pahrump. It is located next to the Pahrump City Library. There is a board there and Jose Talas is in charge of that cemetery.

Chair Kirkpatrick:

We can find out from the veterans administrator when he comes up to speak on how that would work in your situation. The last thing we want to do is put a fiscal note on it. The first thing we want to do is make sure our veterans are held to the highest regard when they are rested at whatever place it is. Local governments have a landscape buffer they put in on different projects. Maybe we can use some similar language regarding that. At this time I am going to Clark County to hear Mr. Sanson.

Steve Sanson, President, Veterans in Politics, Las Vegas, Nevada:

I sit on the Advisory Committee for a Veterans' Cemetery in Southern Nevada. The argument for this bill is that if we have desert landscaping, the rocks will cover up the tombstones, making it impossible to read the names of our fallen during the high winds that southern Nevada experiences at times. We also have addressed the water issue. We will place green landscaping in the areas only where we have our fallen buried.

I do not understand the opposition toward this legislative bill. Arlington National Cemetery is green all year long without any opposition. Why should we want anything less for our Nevada veterans? Their sacrifice for our state and country should be enough. Thank you for letting me testify on behalf of this bill, and we hope that you move forward and approve this bill for the good of all our Nevada veterans.

Ronda Baldwin Kennedy, Member, Auxiliary Veterans in Politics, Las Vegas, Nevada:

Thank you for giving me the opportunity to testify here today. I am also a member of the Auxiliary Veterans in Politics, and I think this is a very good bill.

I was in Washington, D.C., and visited Arlington National Cemetery, and it is quite beautiful. It is green all year around. I feel it is a small request to have the Southern Nevada Veterans Memorial Cemetery stay green all year long. The green grass is a symbol of living, breathing life, not inanimate objects like rocks. I support this bill and hope you pass it as well.

Chair Kirkpatrick:

Thank you, Ms. Kennedy. Does anyone else in Las Vegas want to testify?

Senator Warren B. Hardy II, Clark County Senatorial District No. 12:

I appreciate the opportunity to add my support to A.B. 3. I saw a young man wearing an Iraqi Freedom Veterans hat at the store, and it brought home to me the true sacrifice that our veterans make—many of them the ultimate sacrifice—to leave their families and loved ones to defend our country. This is the absolute least we can do to honor these men and women who have served our country. I support this bill and this concept.

Chair Kirkpatrick:

Thank you, Senator Hardy. Does anyone have any questions?

Assemblyman Stewart:

I am a little concerned about the part that says "immediately surrounding." I would like to see it say "and including each plot." I think the way it is worded, perhaps the plot itself would not be covered with the grass. If I were buried there, I would like the grass immediately over me, as well as surrounding me.

Senator Hardy:

I have an uncle who is going to be buried there on Tuesday, so I would certainly be in support of anything to make this a better tribute and honor to these fine men and women.

Chair Kirkpatrick:

I am going to others who are in support of A.B. 3.

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

I am here in support of A.B. 3 and to testify on behalf of the cemetery, as well as to clarify the fiscal notes. The intent is to prevent xeriscaping of our cemeteries. Fort Bliss is a cemetery in the United States that uses xeriscaping on their landscaping, and it has held up in that standard. Phoenix and Fort Bliss are the best-known veterans' cemeteries that use xeriscaping.

My predecessor, Colonel Fulkerson, and Steve Long were getting a lot of pressure to go to xeriscaping. After visiting and taking pictures in Phoenix, they came back with a slide show and put it forth to the Nevada Veterans' Services Commission. They said look at the beauty here, it is going to save us on irrigation, but it is going to cost us more in equipment. What do you think about this? Assemblywoman McClain was the chair of our Commission, and she was the first to come out of the box and say, "Over my dead body are we going to be xeriscaping our cemeteries."

We use what we call water-wise landscaping, keeping green above and around the burial plots, but then xeriscaping in the common areas and the footpaths. We are asking that you amend A.B. 3 or make some minor adjustments that will answer some of the questions Assemblyman Stewart brought up.

Chapter 417 of *Nevada Revised Statutes* (NRS) deals with the two state veterans' cemeteries in Nevada. There are a lot of veterans' sections in other cemeteries and even some cemeteries that call themselves veterans' cemeteries, but the state runs only two state veterans' cemeteries in cooperation with the U.S. Department of Veterans Affairs (VA). They are the Northern Nevada Veterans Memorial Cemetery in Fernley and the Southern Nevada Veterans Memorial Cemetery in Boulder City.

We have three primary concerns. [See ([Exhibit C](#)).] We took them to our Attorney General staff to determine a legal definition of "immediately surrounding area." They told us there is no legal definition. They said, what is the intent? And let us see if we can put that in the language. Depending on where you are in one of our cemeteries, the area varies. If you are in a casket area, it is approximately a 4- by 8-foot section of turf. If you are in a cremains area, it is about a 2- by 3-foot section.

Generally, the common sense of the public is that the area above the remains, above the urn, above the cremains, or above the casket or vault, is the definition of "immediately surrounding area." If this is not clarified, you will hear comments such as, "There is a sidewalk within a foot of my father's headstone that needs to be taken out." We do not want to have to take out sidewalks and change the landscaping. If we can clarify where that immediate vicinity is, there is no fiscal impact on the immediate vicinity.

The Attorney General's Office said there is no solid legal definition regarding when a plot becomes a plot. With our cemetery expansion, we expand two to eight acres at a time. They will come in, strip out the dirt eight feet down in some sections, and plant in double concrete vaults that we will later go back and fill in with caskets. They are stacked in, and we put 18 inches of dirt over

the top. Once we are done with the grading and put in the irrigation, is that a plot before we put a veteran or their spouse inside? Or is it not a plot until we actually inter the remains of the veteran or their spouse?

Due to the fact that we do not have sunshine 300 days of the year, we have to plant grass over everything. So everything that is ready for burial in Fernley has grass on it right now. We have several acres in Boulder City that we could use, but because of the pace of burials, we cannot keep up with them; therefore, we do not put all the grass down. We want to clarify A.B. 3 to say that we do not actually have to plant the grass until a veteran is interred into the plot.

I have given you four slides that show you the two cemeteries ([Exhibit C](#)). The northern cemetery is a 40-acre cemetery with eight developed right now. All eight acres have either xeriscaping in the common areas or are landscaped. That includes the acreage we do not have anyone buried in. If you look at the handout of the northern Nevada cemetery, the red boxes are the recent burials, and the green boxes have grass over areas for future burials.

The Southern Nevada Veterans Memorial Cemetery in Boulder City is 80 acres in size, 48 of which are developed right now. There are 32 acres currently unused and have desert landscaping that we stay out of. If you look at the handout I provided ([Exhibit C](#)), in the close-up of the southern Nevada cemetery, the areas in red boxes are areas we have had burials and have gone back in and seeded them. The areas in green boxes are areas for future burials. There is a time period when we get people calling to say there is no grass on top of my father's grave, but we seed that as soon as we are done with a row.

The southern Nevada cemetery is the second-busiest cemetery in the nation, and burying a veteran or their spouse is not necessarily done by hand anymore, but with backhoes. We found this method to be the most expedient manner. It also saves on our water rates. In the last two biennia, our water rates at the two cemeteries have gone up over 200 percent.

We are constantly trying to figure out how to manage our facilities. We have received money at the southern Nevada cemetery to take the grass out of the common areas and "buck" the VA trend and tell them we do not want grass there. We want it xeriscaped because we do not want to irrigate it. We have kept grass above all the interred remains.

We are currently exploring new technologies and alternatives to turf grass. What is turf grass, and what is the leniency going to be allowed there? The turf grass out now has changed a lot since the AstroTurf from the 1970s. There is turf grass that you cannot tell the difference between the live grass and the

synthetic grass. We are exploring the opportunity to putting this in areas that we are not going to be using, so we will not have to water it. It must meet the needs that we have, it must last, and it must look good, so that from afar no one can tell the difference. Until the technology is there, we will not be using that.

On a national basis, the VA is doing research on some astounding grass species. The grass species they brought over from Saudi Arabia actually thrive with no water or very little water and salt. They just absorb it up and do great. This is not your traditional turf grass, and yet this could save us a lot of money and effort while limiting our mowing and other maintenance fees.

Our third concern is, can we use alternatives to turf grass? I have provided you a suggested amendment. [Read from handout ([Exhibit C](#)), page 5.] I learned early on we are not going to be taking grass out of our cemeteries. Give us some latitude in the vicinity, allow us to have some latitude on when the grass must be planted, and give us an opportunity to expand to new methods in the future, and we will make certain that this has no fiscal impact and definitely represents the cemeteries well.

There are over 23,000 veterans and their spouses buried in Boulder City and 5,500 in the northern Nevada cemetery in Fernley. Our veterans deserve the beauty, the sanctity, and the peaceful environment we have there at those cemeteries. They deserve grass because of their service. We will forever take care of them at those cemeteries, and with your help we will put it in writing that they deserve grass.

Chair Kirkpatrick:

If you bring an amendment, you must bring it before the committee 24 hours in advance, or you must sign in as neutral and then submit an amendment. Are you in support, opposition, or neutral? Can you clarify that for us, Mr. Tetz?

Tim Tetz:

I am in support as long as we can clarify.

Assemblyman Bobzien:

If you are going to use the wording "turf grass or similar substitute," there should be something that speaks to the living aspect of the substitute. The concern is making sure the substitute is real close to turf grass so the similar substitute does not end up being AstroTurf.

Tim Tetz:

It limits us in the ability to put in a synthetic turf in the future. If we can put synthetic turf in areas where we are not currently burying, there will be no water impact and no maintenance for ten years. We go in with a blower and blow it clean. It is green 365 days of the year. I understand the living portion, but the ability to put in the synthetic turf is not yet ready, but it is going to be ready soon.

Chair Kirkpatrick:

Just for clarification, Mr. Tetz, is the amendment the entire PowerPoint?

Tim Tetz:

The amendment is on page 5 of the presentation ([Exhibit C](#)), in quotations in the first paragraph, the suggested language for the amendment. I will work on standard form from now on.

Assemblyman Settlemeyer:

I want to recommend that you remove your fiscal note, since it is zero.

Tim Tetz:

The Governor's Office directed me into the placement of the negotiated note. My hands were bound in the language on that fiscal note.

Chair Kirkpatrick:

Since the fiscal note is zero, we do not have to send it to Ways and Means.

Assemblyman Goedhart:

There are only two state official veterans' cemeteries in Nevada. There are different communities within the state that have cemeteries where some veterans are being laid to rest. Does this act specifically pertain to the two state certified veterans' cemeteries?

Tim Tetz:

In section 1 of NRS 417.200, A.B. 3 basically adds section 2 and displaces section 1. In section 1 it says there shall only be two cemeteries, one in northern Nevada and one in southern Nevada, and it directs how we operate those two cemeteries. If there needs to be clarifying language for other cemeteries out there, I am certain there can be. In no way has this section of NRS ever been used to leap over the bounds of private cemeteries and other public cemeteries.

Chair Kirkpatrick:

I am not a fan of any type of artificial grass. It may save you initially on water, but it does not keep the heat down. A lot of folks go out to visit their loved ones in the heat of the day. Artificial grass has not been around long enough to prove a true cost savings.

If we added that language, it would have a fiscal note and be detrimental to the entire bill. You would have to determine whether or not it was going forward from today or whether we had to go back and make changes.

The artificial turf may be great, but it is very expensive up front. It is generally triple the cost at first, and it may pay for itself in 12 years, but I do not know if the state has enough money to take a risk on that.

Arlington, Virginia, should be the vision the state needs to support these people who have done their duty. I am a huge supporter of veterans. We should not cut corners now for something that is a lifetime worth of history. I am not in favor of artificial turf, unless you can show me it is beneficial. What suggestion are you making regarding the landscaping? Normally how big are the plots or the cremation areas?

Tim Tetz:

It depends on the area and the interred remains. Within the areas that we have a single casket, where a veteran is not going to be buried with their spouse or does not have a spouse, they are not preplaced crypts or vaults. There is a given area of 5 by 8 feet, so that we can dig in, place a vault, put the casket in there, and move it. The areas for cremains, where we are putting in an urn or a box of cremated remains, are usually about 2 by 2 feet or 2 by 3 feet, but it depends on sections and methodology.

Finally, some areas are double vaults, where a veteran and their spouse or two veterans are buried with each other. They are all preplaced, so they can be placed a lot more tightly in about a 5- by 10-foot area. All the areas differ. That is why we suggested in our amendment "the area immediately above interred remains." We know how big the boxes are, and we know how big the area is. By allowing us to say "area immediately above interred remains" we can make sure we cover those boxes and those footprints. To the fiscal note and the synthetic grass, we have a 4.4-acre expansion scheduled this spring at the northern Nevada cemetery. When we put our budget in for the upcoming biennium, we knew that new section was going to be built. We took our water rates and added the percentage to that acreage.

The recommended budget does not have that in there right now. Both the cemetery superintendents told me, Tim, if you can make certain we never have to fight for water, then by all means let us go with green grass everywhere all the time. In these times when we are trying to conserve water and trying to look for additional resources, we need to be open to other options.

I agree with you, Madam Chair, there is nothing out there right now that is as good as green turf, but it is close. Our VA experts are experts in turf and in making Arlington and the southern and northern Nevada cemeteries beautiful. Let them do what they are experts at, and let us give them some guidance with this language.

Chair Kirkpatrick:

Does anyone have any questions? [There were none.] Is there anyone who is in support of A.B. 3? [There were none.] Is there anyone who is neutral on A.B. 3? [There were none.] Is there anyone who is in opposition to A.B. 3? [There were none.] With that I am going to close the public hearing on A.B. 3.

I will now open the hearing on Assembly Bill 66. This bill relates to the cities and the registration of vacant buildings for the City of Reno. When you sign in, if you are in support, it means you like the bill exactly as presented. If you are neutral and would like to submit an amendment, that is how you need to sign in. If you are opposed to the bill, that is how you need to sign in.

Assembly Bill 66: Authorizes the governing body of a city to adopt an ordinance requiring the registration of vacant dwellings and buildings. (BDR 21-401)

Alexis Miller, Legislative Relations Program Manager, City of Reno, Reno, Nevada:

We are here in support of A.B. 66 as written and amended by the bankers association. There is one drafting error; there is not a two-thirds majority required. It is a fee imposed through ordinance, through the City Council, not imposed by the Legislature. That error has been removed, and there should be an asterisk copy available.

Alex C. Woodley, Code Enforcement Manager, Community Development, City of Reno, Reno, Nevada:

I would like to speak in favor of A.B. 66. Senator Harry Reid introduced a bill before the United States Senate entitled "The Neighborhood Reclamation and Revitalization Program Act of 2007." In the bill, Congress made the findings that vacant residential properties are discouraged in communities, leading to lower property tax revenues from municipalities, higher municipal maintenance

costs, and severe public health and environmental problems. Vacant properties are a major problem in our communities. Nevada is one of the leading states with regard to foreclosures and vacant properties.

The first page of the handout ([Exhibit D](#)) is an example of what we come in contact with every day. We receive calls from people who are affected by the vacant properties in their surrounding neighborhoods. Assembly Bill 66 will enable legislation and provide the cities the ability to enact an ordinance requiring the registration of vacant properties. From a public safety and code enforcement perspective, a vacant property is defined as those properties that do not have any occupants and the power and water is shut off.

We typically come across properties with broken windows and doors. We have issues with transients or kids inside the properties. Typically, if we go to a vacant property to address an issue, we have the ability to do research with the Assessor's Office, find the information, contact the individual, and require them to rectify the problem. Currently, when we contact the individual two or three weeks later, we are informed they no longer own the property—the bank does. We then make contact with the bank. We hear back from them a month or two later and are informed the loan has been sold to another entity. It will take us three to four months before we actually find out who owns the property.

We came across the first photo ([Exhibit D](#)) through the police department because we had a transient inside the vacant property. We contacted the property owner and the bank, and while we waited to make contact, two months later the structure was set on fire. Eventually, the property owner, who lived in the Bay Area, contacted us and came to address the problem. If we had known who the property owner was from the front end, we could have contacted the individual to address the weeds and the unsecured structure instead of having to deal with the fire. Adjacent to this property there was a multifamily complex with children inside. The fire could have been avoided if we had the initial contact.

One of the requirements of A.B. 66 is that the responsible individuals conspicuously post the property. We do not require a real big real estate sign. A 5- by 7-inch would be fine. We just want the ability to walk up to the property and see who the point of contact is. The second page shows many entities in charge of these properties using 8- by 11-inch and other types of notifications ([Exhibit D](#)). The bottom photo on page 1 shows a property being sold by a real estate agency, and in the window it had a no trespassing sign. There is no need for that big of a sign. That will bring too much attention to a vacant home. Our intent is to provide municipalities the ability to identify a

property owner and try to avoid having to continuously pay for these needs out of the taxpayers' budget.

We had a vacant property where a code enforcement officer and a police officer were present ([Exhibit D](#)). We went through the same process with this property. The city had to pay to secure the structure because the kids were getting inside and neighbors were complaining they wanted the house secured. Two months after the city secured the property, the bank told us that it did have a local real estate representative. They did reimburse the city for the cost of abatement, so we were able to restore the taxpayers' money, but there was no way for us to find out promptly who was in control of the property.

The hope is to enact an ordinance that would allow us to require the registration of a building, providing us the ability to contact the individual and address situations as they occur.

Chair Kirkpatrick:

Last session, I believe we gave you the ability to fine people for vacant buildings that were left in disarray.

Alex C. Woodley:

In 2005 we had an increase in our citation process. The intent of A.B. 66 is to minimize the two-month holdup in contacting an individual who corresponds to the property.

Chair Kirkpatrick:

Currently, I believe local governments within their own city charter have the ability to fine through code enforcement. Last session we gave you the ability to speed up the process. We went from two years to one year. Now, are we trying to go from one year to one month? Is that what you are trying to get to? If there is already a procedure in place, what is not working? I know there are a lot of foreclosures. At the same time, the local governments are cutting code enforcement when they should be strengthening it and cutting something different.

Alex C. Woodley:

What occurred in the previous session was an abandoned nuisance bill that went from two years to twelve months. In the past, it has been easier to locate a responsible party via the Assessor's Office and get them to remedy the situation within 24 hours. Currently, we get a complaint from a neighbor and arrive at the scene. The property has transients inside, and it is winter, so they are starting fires indoors to keep warm. The property is wide open and needs to

be secured within 24 hours to ensure the public safety, but there is no point of contact.

At this point, we have two options. We leave it open, or we incur the cost of securing it for immediate public safety. In the past, we had a low percentage of those cases. We would incur the cost, eventually the city would be reimbursed, and we would not have to use as many taxpayer dollars. At this time, we have no control over the situation. We have seen an increase of 100 percent of what we are coming across. In the meantime, our coffers are being depleted. It gets to a point where, what can we do? When the city runs out of money and we no longer have money to address these issues, at what point do we hold the actual owner, who may benefit from the sale of the property, accountable? The idea is that the registration would allow us the ability to have the contact.

Chair Kirkpatrick:

This is a temporary problem and may not be an issue in five years. I never want local government to become a fee-generating revenue system because it is not fair to the rest of us. I am a little apprehensive because local-government ordinances change quite frequently. The banks may not transfer the titles quite as quickly as they should. Do you have the ability to put a lien on the physical address?

Alex C. Woodley:

Yes, we do have the ability at this time to put a lien on the property. The fees would cover only the staff time costs. There is no anticipation to try and use this as a revenue generator or anything to that effect. I have provided you with some lists of other cities throughout the country that currently have this particular ordinance and have had it for years ([Exhibit D](#)). The quantity may be temporary, but it may involve only one building that has been vacant for more than 10 years. This ordinance may pertain to that one and only building.

The idea of A.B. 66 is not for it to pertain to every property—only those qualifying under the definitions of the vacant or unoccupied property, and are not being maintained or currently sold. In the friendly amendment by the bankers association, the bill ensures that if the property is being maintained or being sold, they would not have to register.

Assemblywoman Mastroluca:

Who are you putting the onus of notifying the city on? If a homeowner knows they are going to be in foreclosure, they walk away from the house, and with the number of foreclosures, it may take the bank a month or two to figure out that someone has walked away. At that point the bank is trying to sell the

loan, so they are not in a hurry to tell code enforcement. How is A.B. 66 going to shorten the time frame?

Alex C. Woodley:

The way A.B. 66 is written, it provides for no less than 60 days of vacancy. That is to provide flexibility for the different cities, because we could not testify to what would be best for Las Vegas, for example. Their vacant property rate is double that of Reno. For Reno, it would be a waste of staff time to get involved with a property that has barely been vacant.

The City of Reno's determination of vacancy is at least six months of being unoccupied and having no water or power. We do not intend to proactively research every property because of the staff time it entails, but we plan to deal with the complaints as they come in. These sites become known to unsavory characters who use it as a dumping site. We do our research when we come in contact with a vacant property. If it falls under the criteria of a vacant property to be registered, we will send out the required documentation informing the individual that it needs to be registered and followed through.

Assemblywoman Mastroluca:

Help me understand, because that sounds backwards. You want the property to be registered once you realize there is a problem, but because it has not been registered, you will not have the contact information.

Alex C. Woodley:

Once we become aware that it is a vacant property, at that time we will start the research. The City of Reno sent out an educational effort to our citizens regarding having a junk vehicle in a driveway. As soon as they identify it, they call into our complaint number. My hope is that we can offer the same type of education to our citizenry, that when they realize there is a vacant property, they can call our office. We will give them a few field questions to verify vacancy, and at that point we go out to the site and start the research, even if there is not a nuisance at the site.

Assemblyman Settlemeyer:

I would like to see some clarification within the language on A.B. 66 regarding the sign that is placed in the window after the owner leaves the property. If you have a "For Sale" sign, or a sign that states that Acme Builders is doing a remodel or is still in the process of building, then you do not have to register. We need to look at the home sites that, due to financial reasons, are walked away from. You need to have some flexibility going into those, but also to be aware that if the individual has a sign and continuing to work on the project, they will not fall to the side.

Chair Kirkpatrick:

Is there any way within your ordinance that local governments can go in and buy these vacant homes? The "Neighborhood Stabilization Act of 2008" gave local governments the ability to go in and buy a lot of these vacant homes. I would never want local government officials to be able to use it in that manner.

Alex C. Woodley:

There is no exemption in A.B. 66 insofar as a fee impact study requirement for any ordinance. This ordinance, being passed, will still go through the fee impact study and will have an appeal process. As in other enforcement actions, the individual affected will have the ability to appeal. We do not win all appeals; we have lost some. If an ordinance is not working, we will change it.

Chair Kirkpatrick:

I will call those against A.B. 66 the way it sits today.

Keith Lynam, Legislative Affairs Committee Chairman, Nevada Association of Realtors, Reno, Nevada:

I am opposed to A.B. 66 as written and amended. We do support the efforts to curb and find the responsible parties for these unsightly homes, because it has become a problem. Although we are opposed to the bill, the problem is not with the folks who are preparing their homes with no other option but to rent their homes out and may be faced with a vacancy of more than 60 days. Virtually every problem found in these neighborhoods is because of bank-owned real estate owned properties (REO) that have been foreclosed on, and notifying the proper owner then becomes the problem.

As amended, this eliminates any possibility that would ever happen. As realtors we stand in front, behind, and next to every person who is in the foreclosure crisis. We are faced with trying to help them get through their troubled times, and mostly they are left with no realistic options but to walk away or have their homes foreclosed on. Once vacant, all of these homes fall under A.B. 66, and that is where the real problem lies.

The real problem becomes trying to find the responsible party, and that is only going to be solved through recordation issues and processes and notifications of those responsible parties. There are several bills that will be coming forth in the next few weeks that we can support, bills that we feel will truly identify and solve those problems that we believe will be a short-term blip in our marketplace.

As realtors, we are aware that it is our families, clients, and neighbors who are on the front lines of this foreclosure crisis. These casualties are not standing there with outstretched palms, waiting for billions of dollars of bailout money to touch their hands. Their hands are filled with moving boxes as they attempt to find shelter for their families, usually with less than 30 days to do so, because of a foreclosure. Some will say these homeowners are getting what they deserve, that they were greedy, and in some cases lying on their loan applications. But in every instance, someone who had more money, more sophistication, and more attorneys said yes, and at the end of the day those people left these homeowners with no options. In some cases, they approved loan modification packages and short sale offers and yet still foreclosed on those homes. Whenever I hear that government needs to run more like a business, I am quick to think, as long as it is not the bureaucratic malaise and fiascos that is now called the banking industry.

Chair Kirkpatrick:

Are there any questions for Mr. Lynam? [There were none.] Is there anyone who is against A.B. 66 as it is written today?

David L. Howard, representing the National Association of Industrial and Office Properties, Reno, Nevada:

I would like to speak on the commercial side of this. Regarding commercial buildings that are vacant now, they are vacant for a good reason—the economy. It is in our best interest to keep those buildings pristine because we are always having someone try to either lease or sell them. We do not need to be monitored about taking care of our properties.

My concern with A.B. 66 is more in the nature of fee gathering. If you read the bill all the way through, it emphasizes how the fees are going to be structured. There is one thing missing in the bill, and that is the amount of the fee. That is the problem that we have in business: When the Legislature enables a local government to set a fee, the Legislature does not set a range or cap. This is neither the bill nor the time to go into that, but we will have an opportunity later in the session to talk about abuses of local governments with their fee structuring. The registration list referred to is out of date the day it is made up. Making this list is not going to help solve the problem. We have no amendment, and we are in opposition.

Chair Kirkpatrick:

Does anyone have any questions? [There were none.] Is there anyone who is in opposition to A.B. 66? [There were none.] I will now open it up for the amendments.

Bill Uffelman, President and CEO, Nevada Bankers Association, Las Vegas, Nevada:

We talked with the City of Reno when we wrote this amendment ([Exhibit E](#)). The intent of the amendment is an optional waiver for commercial or residential properties that are being actively rehabilitated, or that are actively for sale or lease, as evidenced by a building permit or an ongoing effort, or by a "For Sale" sign and contact information. The notion of maintaining the property is there. If someone is throwing trash on the site or doing graffiti damage, the person responsible for the property should make the effort to remedy the problem. It does them no good to have a property that looks horrible.

If you are meeting the standards we set out in the revision, then the property does not need to be put on the register list. There was a concern regarding the owner who walks away or who is entering into a foreclosure. The typical mortgage document says an owner has to forego three to four months of payments before the lender files the 90-day letter of default and intent to sell.

Then there is a 21-day notice of sale, then three days' notice to vacate the premises. The problem for the lender during the process is they have no right to the property until the sale occurs or where an owner-occupant says, "Here are the keys. I am done." There is still a 30- to 60-day process, but then the lender or new investor becomes the owner of the property.

We all dislike the six- to seven-month period before there is a new owner, but the new owner under this bill has an obligation to maintain the vacant property, which gives them the exemption of having to register under the specific ordinance. If they are not going to maintain their responsibility, then register them. If they are maintaining the property, there is signage that tells who and where they are, and how to reach them, then that is fine. That is what we are trying to accomplish with the amendment.

Assemblyman Settlemeyer:

I need some clarification on the amendment. Are you asking for a full waiver, not just a reduction for those properties that have a "For Sale" sign?

Bill Uffelman:

What keeps the property off of the registration list and keeps it away from any fee issues is the fact you have posted signs. The code enforcement person may be driving down the street and notice a trashy vacant property with no signage, that is one that had better be on his list.

Assemblyman Settlemeyer:

Can we also protect the individuals that have Acme Builders information posted and that way the people who are trying to remodel or get it up to speed are not affected?

Bill Uffelman:

That was the intent when I wrote this, but if it is not clear, we can fix the language. Posted signs are the first indication that someone is making a bona fide effort to restore the property.

Chair Kirkpatrick:

The bill has to indicate who is submitting the amendment with their name on it, and it should also say on behalf of whom, but what you have in front of you is the entire bill rewritten. To clarify for the Committee, that is the entire bill rewritten as a whole. Mr. Uffelman, where is your amendment within the bill?

Bill Uffelman:

In the rewritten bill, page 1, lines 29-31 have been struck out ([Exhibit E](#)). We added at line 33, an (e), which restates it to say that if the owner of a vacant dwelling or building is maintaining it and is making a bona fide effort to sell or lease the building, it shall not be subject to registration or fees under this section.

The other part was an optional waiver. This is a mandatory waiver. It would keep those properties out of the program. Then we defined bona fide with respect to reconstruction, meaning you have building permits, you are maintaining the property with respect to the sale or lease, and you have signs up.

Chair Kirkpatrick:

Are there any questions?

Alexis Miller:

I want to clarify that this is not an exemption for bankers only. It is exemption for any property owner or manager who is maintaining to sell, rent, or lease their property.

Chair Kirkpatrick:

Is there anyone who is neutral? [There were none.] Does anyone want to bring up an amendment?

Jay Parmer, representing the Builders Association of Northern Nevada, Reno, Nevada:

We are here to see what effect A.B. 66 will have on builders of residential properties, primarily single and multifamily properties. I saw the amendment Mr. Uffelman just presented, and I believe it addresses our concern. We agree with the City of Reno there are structures that are derelict and need to be dealt with, and we certainly support that because we want a better community as well. There are homebuilders with standing inventory who are making a good-faith effort to maintain those properties. They want to sell them—they do not want to own them—but the homes are not selling due to the economic situation. We do not want to get caught up in the broad discretionary authority that the cities are getting to, where we are painting a residential homebuilder with the same brush as somebody who clearly does not have an interest or has left the area. I believe we are covered by the bankers association's amendment, and we appreciate the opportunity to participate in the discussion today.

Chair Kirkpatrick:

Our work sessions are always out 24 hours in advance and available to anyone in the community who wants to address their concerns.

Robert Joiner, Government Affairs Manager, City of Sparks, Sparks, Nevada:

We support the bill and amendment. We have worked closely with Chairman Conklin through the interim on the Affordable Housing and Mortgage Reform Bill. He asked local governments for information on this very topic, such as our appearance codes in our cities and what our code compliant situation was. In Sparks we cut back 80 percent because of budget considerations. This issue is paramount, and we support this bill.

Chair Kirkpatrick:

Does anyone have any questions? [There were none.] Does anybody else want to testify? [There were none.] We will close the hearing on A.B. 66.

[Meeting recessed at 9:30 a.m. and reconvened at 9:41 a.m.]

Chair Kirkpatrick:

Can we walk through A.B. 74 first before we discuss the changes?

Assembly Bill 74: Revises provisions concerning the presentation of a final map of certain subdivisions of land. (BDR 22-472)

John Slaughter, Director of Management Services, Washoe County, Reno, Nevada:

[Introduced ([Exhibit F](#)).] This bill is in direct response to the current economic condition. During these times there are subdivision projects that are in danger of having their maps expire. Assembly Bill 74 will protect local shovel-ready projects. With that, I will turn it over to Mr. Freund, who will talk about the purpose of the bill.

Adrian P. Freund, Director of Community Development, Washoe County, Reno, Nevada:

Assembly Bill 74 deals with map extensions, both for the length of life for tentative maps and for the period available to file final maps. The economic situation has accelerated the need for this bill. We had some issues relating to the expense associated with recordation of final maps. If the final map was a first in a series for a particular subdivision, we were seeing astronomical costs associated with the infrastructure development. We had one case where a developer came to us and was looking at \$200,000 just to record the first five-lot final map. The problem started before the economy took a nosedive, but this has accelerated the need for the bill at this point.

Nevada has a short map life in its statute compared to other states. They vary all over the place, from our two-year map life to some states that are in the eight- to ten-year range. These are good projects that have undergone extensive public review and involvement through public hearings. They have been conditioned by the localities in accordance with appropriate standards affixed to them. A lot of these projects support infrastructure development. Working with our general improvement districts (GID) in Sun Valley, for example, infrastructure for the community that improves the community infrastructure system has been supported by individual projects. The merits of these projects are generally not in dispute.

We need the ability to update public health, safety, and welfare types of conditions over the long period of time during which a subdivision can build out. It is very costly for the development community to lose the maps and have to go through the process again, including paying local fees and the length of time and effort it takes to get approvals.

That lays out the background of the bill. Now, to give a brief history of where we have come since we initially developed this wording. We went to the Board of County Commissioners, and there was some desire to see whether some

enabling language should be put in here, to allow local governments to extend maps for not more than four but not less than two years. That enabling language has been removed, and the current bill indicates a map life of tentative maps that goes from the current to four years.

Then, there is a provision that basically increases the time you have to record your first final map from one year to two years. Those are the basics of the bill as it is before you. You have an amendment that cross references a second section of statutes, *Nevada Revised Statutes* (NRS) 278.350, and in our view that was an appropriate reference to include because it is there in the statute already.

Chair Kirkpatrick:

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

John Slaughter:

I just want to let you know this was a team effort. We spent the last 48 hours working on this amendment, I will go ahead and let Mr. Hester talk about the first two sections of the amendment.

John B. Hester, Community Development Director, City of Reno, Reno, Nevada:

The reason why we would like the amendment is because while NRS 278.360 deals with subdivisions that deal with final maps, NRS 278.350 deals with tentative maps. [Referred to ([Exhibit F](#)).] We would like time extensions for tentative maps because for a developer to keep a tentative map alive, typically, they have to enter into a developing agreement or they have to file a five-lot subdivision. In doing so, they are required to get a bond for public improvements that go with the final subdivision map. Depending on the size of the bond, it can cost the developer hundreds of thousands of dollars a year for a subdivision there is no market for. All that does is raise the price of housing for our citizens.

If you look at NRS 278.350, it is a mirror of what is in NRS 278.360 in extending tentative maps ([Exhibit F](#)). Builder groups in northern and southern Nevada wanted to be sure we could not go back in after the extension was made and start adding conditions, unless they are conditions required directly as a result of changes in laws relating to public health, safety, and welfare. That is a limitation on final maps. We, as the local government, have no issue with that being a limitation on tentative maps, if they are extended as well.

In closing, I would like to thank you for accommodating Washoe County in bringing forward the amendment that we as the City of Reno and some of the builders association had.

Chair Kirkpatrick:

Does anyone have any questions?

Assemblywoman Pierce:

If these changes are in response to the economy that we have right now, why should we not put a sunset on this, so that it goes back to where it was, when the economy has righted itself?

John Slaughter:

We did discuss a sunset provision. Among the things we talked about were the current lengths of deadlines. When compared to other states, we were already a little shorter. So it was in part for the economic recovery effort but also to recognize that in the market, particularly in the west, that we may want to consider lengthening the deadlines a little bit.

John B. Hester:

The amendments give us flexibility in terms of developing agreements if we have unusual circumstances and unusual infrastructure. It is not something that is automatically done, but it allows the local government and the developer to enter into a longer-term agreement if there is major infrastructure and you want to phase it.

Assemblywoman Pierce:

I am from Las Vegas, and it is hard for me to see outside of the bad economy, that there is something that needs to be adjusted.

Chair Kirkpatrick:

Are there any other questions?

Assemblywoman Mastroluca:

I would be interested in seeing a list of comparisons, between Nevada and other states, regarding the length of time that they allow in this instance.

Chair Kirkpatrick:

Does anyone else have any questions? Yesterday there was a sunset date on this. Did I read that wrong, Mr. Slaughter?

John Slaughter:

Although we talked about it, we did not have that provision drafted. I do not think local governments would be opposed to a sunset 2013. That would allow the 2013 Legislature to decide whether to remove the sunset or extend it.

Chair Kirkpatrick:

We should look at some type of amendment that has a sunset date. We are in an economic crunch, and I do not want this to be the session where we come in and change all the rules because we had the opportunity to do it, and then turn around and blame it all on the economy and foreclosures. Then when we get back to session and times are good, we realize we changed it for no reason.

I want to get some clarification. My worry is this. In development agreements, if the project changes because the economics or the footprint changes on what kind of house sells better, they would still have to come back for some type of public hearing. That is all going to stay in place, right? I am just trying to clarify that they will not lose their tentative map if it is not approved within 45 days.

John B. Hester:

If you have a tentative map, you have to bring in the final map that is consistent with that. That will not change.

Chair Kirkpatrick:

If we extend the maps, and the scope of the project changes, will they still have to come back and have a public hearing?

John B. Hester:

Yes, that is correct.

Chair Kirkpatrick:

I am just trying to clarify for the public's interest that we are not taking away their ability to attend a hearing if things were to change from what they thought they were. Does anyone else have any questions? [There were none.] Thank you for all your hard work on this.

Is there anyone in support of A.B. 74 as it is written?

David L Howard, representing National Association of Industrial and Office Properties, Reno, Nevada:

Put us in the plus column on A.B. 74, please.

Chair Kirkpatrick:

Does anyone have any questions? [There were none.] Would anyone else like to testify in support of A.B. 74?

Jay Parmer, representing the Builders Association of Northern Nevada, Reno, Nevada:

We support the bill with the amendments provided by Washoe County.

Chair Kirkpatrick:

Is anyone neutral on A.B. 74 with the amendments?

Jay Parmer:

We appreciate Washoe County working with the building industry to help get us through these tough times. What they proposed, including the amendment, appears to be a good path out for us with the economic times we are dealing with. I have a number of builders and members of the builders association in the audience today. I have two gentlemen with me who have firsthand experience in dealing with these tentative and final map situations. I would like them to introduce themselves briefly, and if there are any questions from the Committee, they would make themselves available to them.

Gregory F. Peek, Vice President, ERGS Properties, Reno, Nevada:

We are a multifamily builder, and I am here representing the builders association.

Randal L. Walter, President, Places Consulting Services, Inc., Sparks, Nevada:

I am a private planning consultant and deal with the extensions and time lines for final maps on a daily basis.

Gregory F. Peek:

We support A.B. 74 as amended on February 4, 2009.

Chair Kirkpatrick:

Does anyone have any questions? [There were none.] We appreciate you coming before us and giving us your input. Is there anyone else that would like to testify in favor of A.B. 74 with the amendments?

James Wadhams, representing the Southern Nevada Home Builders Association, Las Vegas, Nevada:

We support A.B. 74 as amended on February 4, 2009. We appreciate the efforts of Mr. Slaughter and his crew in working with us and those amendments.

Chair Kirkpatrick:

Are there any questions? [There were none.] Is there anyone in opposition of A.B. 74 as it is written in its original form or the amendment? [There were none.]

With that I am going to close the public hearing on A.B. 74. I am going to move to public comment. Is there anyone who would like to testify? Are there any questions or concerns from the Committee? [There were none.]

Meeting adjourned [at 10:03 a.m.].

RESPECTFULLY SUBMITTED:

Michelle Smothers
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: February 5, 2009

Time of Meeting: 8:01a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 3	C	Tim Tetz, Executive Director, Nevada Office of Veterans' Services, Reno, Nevada	Prepared PowerPoint Presentation
A.B. 66	D	Alex C. Woodley, Code Enforcement Manager, Community Development, City of Reno, Nevada	Prepared PowerPoint Presentation
A.B. 66	E	Bill Uffelman, President and CEO, Nevada Banker's Association, Las Vegas, Nevada	Amendment
A.B. 74	F	John Slaughter, Director of Management Services, Reno, Nevada	Proposed Amendment