

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

**Seventy-Fifth Session  
February 26, 2009**

The Committee on Government Affairs was called to order by Vice Chair David P. Bobzien at 8:58 a.m. on Thursday, February 26, 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/](http://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](mailto: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

**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:**

Dennis Colling, Chief of Administration, Administrative Services Division,  
Department of Motor Vehicles  
Michael E. Skaggs, Executive Director, Nevada Commission on Economic  
Development, Carson City, Nevada  
John Griffin, Kummer Kaempfer Bonner Renshaw & Ferrario Law Firm,  
Carson City, Nevada, representing the Retail Association of Nevada  
Alfredo T. Alonso, Lewis and Roca, Reno, Nevada, representing the  
Nevada Beer Wholesalers Association and Southern Wine and  
Spirits  
Dino DiCianno, Executive Director, Department of Taxation, Nevada  
Nancy Boland, County Commissioner, Esmeralda County, Goldfield,  
Nevada

**Vice Chair Bobzien:**

[Roll called.] This morning we are hearing Assembly Bill 193, brought to us by our esteemed Assemblywoman Kirkpatrick. Please come to the table and present your bill.

**Assembly Bill 193:** Provides for reporting by certain governmental entities concerning the collection of fees and taxes. (BDR S-243)

**Assemblywoman Marilyn K. Kirkpatrick, Clark County Assembly District No. 1:**

This morning I come before you with my bill, A.B. 193. I first thought of this bill during the special session two years ago. I thought to myself, why does our state not have a real ability to track revenues? We have to work from all sorts of formulas out there. I verified that we did not necessarily have the data to see where our shortfalls are or, in good times, where we are doing better. Especially in these difficult economic times, I think it is important that we start tracking our state's finances.

Our state has grown, and we need to have more data. In working with the state agencies I found they all have certain reporting requirements. I agreed to an amendment, because it does no good to require agencies to do something

they cannot possibly do. In section 1, line 3 we are going to change "within 15 days" to "within 60 days." That will do two things: One, it will give us very accurate data. I know that the Department of Motor Vehicles (DMV), the Commission on Economic Development, and the Secretary of State need a little time for their reporting to go forward. Two, it will give the Legislature quarterly information that we can follow. The State Controller had asked if we could let her know where the information goes; that may be something that comes in the future. For the freshmen, I do not want to say this is a simple bill, because that is surely going to kill it, but I think this bill is very straightforward. I am willing to take any questions.

**Assemblywoman Mastroluca:**

Can you tell me why there is a sunset on this bill?

**Assemblywoman Kirkpatrick:**

Originally the bill was prepared for the first special session after the 2007 session. I thought with a sunset we could revisit the report format and make sure we are getting the data that is most helpful.

**Assemblywoman Mastroluca:**

So you do not anticipate doing these quarterly reports on a regular basis? Are you anticipating doing them for just this one time period?

**Assemblywoman Kirkpatrick:**

No, I do anticipate doing the reports on a regular basis, but I believe in going back and evaluating the reporting process, and if for some reason I am not here next session, at least someone would raise those issues because of the sunset. That was my reasoning. I am more than happy to take the sunset off, but I think we have to be mindful that the reports, no matter how we design them, may be missing some information. We need to be able to go back and reevaluate.

**Assemblywoman Pierce:**

Regarding the extension from 15 days to 60 days, in section 2, line 32, it mentions "15 days" in the part about Economic Development. Are you changing that also?

**Assemblywoman Kirkpatrick:**

That is correct.

**Assemblywoman Pierce:**

Are you asking Economic Development just for figures? You do not want to know who the abatements went to?

**Assemblywoman Kirkpatrick:**

That information is not necessary because we are already getting it—the information is public record. I believe there are other bills coming forward that create a pretty big process. This bill is basically designed to help our fiscal staff. I picked these agencies because they are the largest contributors to our state budget. What we are trying to do with Economic Development is to see where we might have some losses. We also want to see what we are missing in our state. If we are bringing companies here, and we see an abatement, we need to clarify the taxes and fees, how many jobs are being created, and those types of questions.

**Assemblywoman Pierce:**

I think this is a good idea. To get the Interim Finance Committee (IFC) some quarterly information will be very helpful moving forward.

**Assemblyman Stewart:**

This is one of the finest pieces of legislation that I have ever read. My question is how did you select the various departments? These are the top revenue producing departments. Is that how you selected them?

**Assemblywoman Kirkpatrick:**

That is correct. I looked at which agencies contribute more than 10 percent to our overall budget, and these agencies furnish about 75 percent of our budget. They will give us a starting point and an idea of where to go in the future.

**Assemblyman Settlemeyer:**

So we are going to change "15 days" to "30 days"?

**Assemblywoman Kirkpatrick:**

It would be changed from "15 days" to "60 days."

**Assemblyman Aizley:**

Did you check with each agency, or do you know that they are not going to say they need more staff to do this work? Or do they have the data already?

**Assemblywoman Kirkpatrick:**

I did check with the state agencies, and I think they will say they now support the bill with the time change. Also, before I did this, I checked job classifications in each one of the departments to make sure they had the ability to compile the information without hiring more staff.

**Assemblyman Claborn:**

It looks as if you have encompassed, within this bill, the things we have been trying to do around here for many years. You have added some mini-audits, which I think is great. We have been trying to get so many of these entities audited, and it takes seven years for some of them to be completed. Now we can have mini-audits and know our financial direction. I wish I had thought about this procedure a while ago; thank you very much for bringing this bill to us.

**Assemblywoman Kirkpatrick:**

Thank you, and I will say the state agencies have been great about it. You know me, I am all about accountability this session, and this process actually helps improve their case in some instances. I think that this reporting method is good policy for our state. Hopefully, 25 years from now, it will have made a difference in the budget process.

**Assemblyman Stewart:**

I assume they will be using extensible business reporting language (XBRL) as they make these reports. If they are not doing it now, they will do that in the near future.

**Assemblywoman Kirkpatrick:**

That is correct. I am sure they will be.

**Vice Chair Bobzien:**

Are there any other questions? [There were none.] Thank you, Assemblywoman Kirkpatrick. We have a number of people signed in under support for the bill. We have Mr. Skaggs from the Nevada Commission on Economic Development (NCED). Mr. Colling, of the Department of Motor Vehicles (DMV), are you neutral for now?

**Dennis Colling, Chief of Administration, Administrative Services Division,  
Department of Motor Vehicles:**

If you have any questions from the Department of Motor Vehicles, I am here to answer them.

**Vice Chair Bobzien:**

We have Craig Stevens and Dane Watson from the Nevada State Education Association (NSEA). Would either of you like to come up and say a few words? We also have Alfredo Alonso and John Griffin. Would you gentleman like to come up to the table?

**Michael E. Skaggs, Executive Director, Nevada Commission on Economic Development, Carson City, Nevada:**

We completely support the bill. This places no additional burden on us. In fact, we could actually meet the 15-day language that is currently in the bill, because it is basically a compilation of reports that we already do. So there is no impact, and we support the bill.

**Vice Chair Bobzien:**

Are there any questions? [There were none.]

**John Griffin, Kummer Kaempfer Bonner Renshaw & Ferrario Law Firm, Carson City, Nevada, representing the Retail Association of Nevada:**

The retail association is here to testify in support of A.B. 193. We think quarterly reports of taxes, fees, and abatements to the Interim Finance Committee (IFC) are a good opportunity for some transparency and to provide information, not only to the Legislature, but to the public at large, especially in these economic times.

**Alfredo T. Alonso, Lewis and Roca, Reno, Nevada, representing the Nevada Beer Wholesalers Association and Southern Wine and Spirits:**

This sort of policy is important for the liquor industry. We have a unique situation in the State of Nevada, where a lot of revenue collecting involves self-policing. The Department of Taxation does a great job, but it is undermanned in terms of revenue collections on the liquor side. Obviously this will be a great help to you to educate this body and others when there are dips and changes in collections. It also may help you to see where problems may lie and ultimately may assist Mr. DiCianno in terms of future staffing. So we support the bill and think it is a great idea.

**Vice Chair Bobzien:**

Are there any questions? [There were none.] Is there anyone else who would like to testify in support of the bill?

**Dino DiCianno, Executive Director, Department of Taxation:**

Yes, we are in support of the bill, and we do appreciate that the maker of the bill extended the time because of our reporting requirements. We can do this within the 60 days; it will not cost us anything. We will establish queries through our current system with respect to those reports. Actually, we already provide the majority of the reports that are being requested in this bill to the State Controller, so those reports will go hand in hand. If you have any questions, I am more than happy to respond.

**Vice Chair Bobzien:**

Are there any questions? [There were none.]

**Dennis Colling:**

I need to have it on record that the Department of Motor Vehicles also supports this bill. We thank the sponsor for modifying the timing from 15 days to 60 days, which will enable us to provide more accurate and timely information. We do have this information available, and there will be no increase in cost for us.

**Vice Chair Bobzien:**

Are there any questions? Do we have anyone else who wishes to testify in favor of A.B. 193? [There were none.] Is there anyone against A.B. 193? [There were none.] Is there anyone in the neutral position? [There were none.] Are there any final remarks from the Committee?

**Assemblywoman Kirkpatrick:**

Thank you for the opportunity. I hope that this is a tool that stays with our state for a long time.

**Vice Chair Bobzien:**

Thank you. We will close the hearing on A.B. 193. We will now bring up Esmeralda County.

**Nancy Boland, Chair, Esmeralda County Board of Commissioners, Goldfield, Nevada:**

I thank you for your interest in our county. My presentation is based on the handout ([Exhibit C](#)) that you have received. [Read from ([Exhibit C](#)).] Esmeralda County's estimated population is 1,240. On page 3 you will see a map from the Bureau of Land Management showing the public versus private lands of Esmeralda County. You can see our three communities: Goldfield on the east, Silver Peak in the middle, and Dyer on our western border. [Read from ([Exhibit C](#)).]

**Assemblywoman Kirkpatrick:**

In talking about your goal of using geothermal resources to generate revenues, what could the Legislature do to help you move that process along? What are the obstacles?

**Nancy Boland:**

The obstacles would be primarily transmission lines—that is the big stumbling block. In the past most obstacles came from federal legislation rather than state. The state government has been very supportive with the requirement

that renewable energy is part of the portfolio, at least with publicly owned utilities, but it does not affect the cooperatives, like Valley Electric in our valley.

**Assemblywoman Kirkpatrick:**

I have a question on the way planning works in Esmeralda County. Sometimes it is hard to get the residents to see the big picture. You talked about people buying big land tracts and planning developments in Fish Lake Valley. How did you bring the two sides together, or have you gotten that far?

**Nancy Boland:**

We put a stopgap measure in, but it was a little bit after the damage occurred. Because the development was done in large parcels, under the Division of State Lands, it did not fall under the subdivision laws. If it had, that would not have been the problem. Last session a bill was passed for water dedication and even for parceling that is going to be a great help.

**Assemblywoman Kirkpatrick:**

Mr. Claborn passed that bill, Senate Bill No. 275 of the 74th Session, out of his Committee on Natural Resources, Agriculture, and Mining, right?

**Nancy Boland:**

Yes, that is correct.

**Assemblywoman Kirkpatrick:**

See, Mr. Goedhart, we do help.

**Nancy Boland:**

I was happy about that bill because we are a member of the Central Nevada Regional Water Authority. S.B. No. 275 helped us out a great deal. For a long time development issues did not matter because nothing was happening. We have no planning staff, and we are really happy that the State Lands Division comes down and helps us; the assistance is very valuable.

**Assemblywoman Kirkpatrick:**

I know Mr. Goedhart says it is the best economic development tool you have—that you do not have all that bureaucracy yet.

**Nancy Boland:**

That is true.

**Assemblyman Aizley:**

I have a question about the water table. You said it is declining?



**Nancy Boland:**

Yes, in our Fish Lake Valley Water Basin the water tables have dropped from 80 to 100 feet in about the last ten years.

**Assemblyman Aizley:**

Is the recharge mostly from the mountains?

**Nancy Boland:**

The recharge is from the White Mountains into the basin. It is a shared basin with California, and California does not have the regulations that the State of Nevada does. The basin is right on the border of Mono and Esmeralda Counties. There is agriculture on both sides, but that has been declining for some time.

**Assemblyman Aizley:**

What is the outlook?

**Nancy Boland:**

It is a designated basin, so we are hoping to keep the use static. California is the unknown factor because they do not have the laws that we do. Apparently they are tending in our direction, but they do not even have permitting for well drilling. There is not much we can do about that, but if we hold it steady on our side, so that we are not converting our agricultural land into a lot of subdivisions with very small acreage, at least we can keep the use static. The law revision passed in 2007 should help because, now, if someone puts a subdivision in, they will have to convert agricultural rights or come with water rights that are available, so we are very happy about that.

**Assemblyman Goedhart:**

What is the water table now, and what was it ten years ago? I buy some hay from the valley, and I have not heard from any farmers that the water table has dropped quite that dramatically, from 80 to 100 feet. That is a large reduction.

**Nancy Boland:**

The water table has dropped. Even the agricultural wells have had to be deepened. Some of those wells are down to 600 feet. Originally, when some of the first subdivisions were put in, they were drilling 100-foot wells. About three years ago everybody had to start drilling deeper wells, and now the standard well is 250 feet.

The graph on page 5 ([Exhibit C](#)) shows the county's revenue sources in 2008. A pie chart on page 6 shows our spending. [She continued to read from the presentation ([Exhibit C](#)).] We try to accumulate a little bit of money when we have good years, and we anticipate the bad years. When we have enough

funding, we indulge ourselves in a little bit of capital expenditure in the county. This practice has had both good and bad effects. Sometimes we let things go too long, and we do not do a lot of things that probably need to be done in the communities, but that has helped us to survive. I think it is a good approach because the county has such volatile revenues.

Page 6 also shows the county's tax structure and utilities. Page 7 shows employee costs. [She continued to read from the presentation ([Exhibit C](#)).] On page 8 you will see our county government organizational chart. It shows the cost to operate each department last year, including wages, services, and supplies. In our county, the commissioners and staff perform tasks that county managers usually do. Often you have to be chief cook and bottle washer. We all do what we can. [Read from ([Exhibit C](#)).]

**Vice Chair Bobzien:**

Are there any questions?

**Assemblywoman Kirkpatrick:**

Why are your water, sewer, and solid waste disposal so expensive? That is a half a million bucks right there. Is it due to employee or operating costs?

**Nancy Boland:**

It is debt, Chairwoman Kirkpatrick. A lot of it is U.S. Department of Agriculture (USDA) debt. We do not have that many employees, as you can see. There are only 2 1/2 employees in water and sewer utilities, but a lot of the problem is overhead and operating costs. Electrical costs in Goldfield are really high; they pump water from several miles out, through two pump stations, before they get to their water storage.

**Assemblywoman Kirkpatrick:**

Is it fair to say that some of that debt will be paid off in about ten years?

**Nancy Boland:**

No, most of the USDA loans are 40-year loans. We were contemplating that we will get a lump sum from the geothermal competitive sales. One of my thoughts was to take some of that money and apply it to our higher interest rate loans, because some are at 4 1/2 or 4 3/4 percent, and that is pretty high. If we could amortize some of that, even if we loan back to the utilities that have a lower interest rate, that would relieve a lot of the burden, especially in Goldfield. It is ridiculous to pay \$75 per month for sewer and water—it is just going to drive people out of our county.

**Assemblywoman Kirkpatrick:**

That is how much I pay in Clark County for two months.

**Assemblyman Claborn:**

I have been familiar with Goldfield and Tonopah for many years. I started working as an operating engineer back in 1957, and we built the roads through Goldfield. I can remember about 15 years ago when we were going to build an alternate route around Goldfield, and they core-drilled where the road was going to go and found so many gold deposits that we never could excavate. There was so much gold that the road project came to a complete end. Could you tell me why we are not developing those gold deposits?

**Nancy Boland:**

You are talking to the right lady because I came out of mining. I was a bean counter for the mines. Everyone knows that the gold deposits exist out there. A lot of mining companies have been interested in the area, but they have never gotten the capital together to go mine. The resources exist—you know it, I know it. We have the resources in Goldfield and in Silver Peak too, but we have not had a quality company consolidate the properties to make a go of it.

**Assemblyman Claborn:**

That really surprises me because there was so much gold there. Goldfield is sitting on a big deposit and has hardly been touched. It is unbeknownst to me why one of those big companies will not go there. Who has the rights to this gold? The gold is there—they should come out and get it.

**Nancy Boland:**

The Goldfield ore has a lot of copper in it, so companies found it difficult to process out the gold and silver. Newmont was the last major company in Goldfield. There are a couple of little mines underground up on the old historic diggings, by the Florence Mine, but nothing big.

**Assemblyman Claborn:**

I would call it the Goldfield mystery. The gold is there, and gold prices are high right now. It could give someone a chance to be a billionaire. Thank you for the information.

**Assemblywoman Pierce:**

I was just looking at Wikipedia, and it says Esmeralda County has the second-lowest population density of any county outside of Alaska. How many people live in Lida?

**Nancy Boland:**

There are about five people living in Lida right now.

**Assemblywoman Pierce:**

What is the name of the road that goes out there?

**Nancy Boland:**

It is State Route 266.

**Assemblywoman Pierce:**

I have driven that road a couple of times, and I will tell you, that road makes Highway 50 to Ely look like gridlock. If you live in Lida, do you have to drive to Goldfield to get your mail?

**Nancy Boland:**

They deliver mail to Lida once a week, but most people who live in Lida or Gold Point have post office boxes in Goldfield. They have to go that way to get to the grocery store in Tonopah anyway. It is interesting living in places like Lida.

**Assemblywoman Pierce:**

Wikipedia lists Lida as a ghost town, which it clearly is not, but it is lonely.

**Nancy Boland:**

People do not understand how much it costs to live in a place like Lida. You are so far away from everything. From Silver Peak, I go to the grocery store once a month, sometimes every two weeks. It is 30 miles one way on a dirt road just to get to Tonopah, so you do your banking and other errands before you come back. That is okay when you are young and healthy, but it is not easy for people who are sick or elderly. Some might classify it as wasteful, but we have quite a senior citizen transportation program. If you are a senior who is sick and you cannot drive yourself, we provide transportation to Fallon, Bishop, Reno, or Las Vegas for doctor appointments. We offer that service in conjunction with Nye County, but it is very expensive. If you are sick and have to drive that far, you have to get a motel room, and you probably have your spouse with you. It is very difficult.

It is a real hard place to age. Besides operating that service, we have been giving the veterans' services program \$5,000 per year for the same reasons. Some folks cannot fend for themselves, and that program helps to avail them of the benefits they are supposed to receive. Some of these people are scared to leave home because they think they might not come back alive.

**Assemblyman Stewart:**

Is there a health-care facility in the county?

**Nancy Boland:**

Not in our county. The closest is Nye Regional Medical Center in Tonopah, and that is not a full-blown hospital.

**Assemblyman Stewart:**

What about education; are there any schools in the county?

**Nancy Boland:**

Yes, we even have elementary schools in each of the main communities. After elementary school, the students go to Tonopah High School.

**Assemblyman Claborn:**

I used to deer hunt in the Lida area, and I remember the town had an old schoolhouse. The old school is still there and offers a little bit of history for Nevada.

**Nancy Boland:**

The house that Art Linkletter built is still there too. He owned the Lida Ranch at one time.

**Assemblyman Munford:**

I want to ask about education K-12 and how the children go to school in your county. Is there a bus service?

**Nancy Boland:**

Goldfield and Silver Peak are very small, so the kids can walk or the parents take them. There is a little busing in Dyer, which is an agricultural community and more spread out. The kids actually do very well in our schools. Our teacher-to-student ratio is next to none. You might have one teacher and only five children in class. The elementary school kids in our county have really high test scores.

**Assemblyman Aizley:**

In the search for more good news, is there a foreclosure problem in Lida?

**Nancy Boland:**

No, and there are no bank financing problems either.

**Vice Chair Bobzien:**

Thank you for your presentation. That was very informative.

**Nancy Boland:**

I thank the Committee as well. I appreciate your taking the time for Esmeralda County.

**Vice Chair Bobzien:**

Do we have any members of the public who wish to provide us with any comment? [There were none.] Are there any questions from the Committee? [There were none.]

We do have some pieces of testimony from yesterday's hearing on Assembly Bill 87, from Mr. Paul Ripple ([Exhibit D](#)). We have a copy of that testimony and will be entering it into the record. We also have some information from Ms. Smith-Newby in response to some queries during the Assembly Bill 48 hearing about the issue of arbitration versus court proceedings, so that is being passed out right now ([Exhibit E](#)).

Meeting adjourned [at 9:45 a.m.].

RESPECTFULLY SUBMITTED:

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Michelle Smothers  
Committee Secretary

APPROVED BY:

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Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Committee on Government Affairs

**Date:** February 26, 2009

**Time of Meeting:** 8:58 a.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
	C	Nancy Boland, County Commissioner, Esmeralda County, Goldfield, Nevada	Esmeralda County, Prepared Presentation
A.B. 87	D	Paul Ripple, Management Analyst, Nevada State Veterans Home, Boulder City, Nevada	Prepared testimony.
A.B. 48	E	Sabra Smith-Newby, Director, Department of Administrative Services, Las Vegas, Nevada	Response information.