

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

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

The Committee on Government Affairs was called to order by Chair Marilyn K. Kirkpatrick at 8:01 a.m. on Thursday, March 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/. 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:

Assemblywoman Sheila Leslie, Washoe County Assembly District No. 27
Assemblyman Tom Grady, Assembly District No. 38

STAFF MEMBERS PRESENT:

Scott McKenna, Committee Counsel
Susan Scholley, Committee Policy Analyst
Cyndie Carter, Committee Manager
Denise Sins, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Ron Dreher, Private Citizen, Reno, Nevada
Ileri Rivas, Organizer, Progressive Leadership Alliance of Nevada, Reno, Nevada
Theresa E. Navarro, Private Citizen, Reno, Nevada
Eric Holland, At-Large Member, Central Citizen Advisory Board, Reno, Nevada
Nancy Scott, Co-President, League of Women Voters of Northern Nevada, Carson City, Nevada
Alexis Miller, Legislative Relations Program Manager, Office of the City Manager, City of Reno, Nevada
Robert (Rob) F. Joiner, AICP, Government Affairs Manager, City of Sparks, Nevada
Richard "Skip" Daly, Business Manager, Laborers' International Union of North America, Local 169, Reno, Nevada
Ernest E. Adler, Attorney at Law, representing Nevada Rural Housing Authority, Carson City, Nevada
CJ Manthe, Chief Operating Officer, Nevada Rural Housing Authority, Carson City, Nevada
Lisa Corrado, LEED, AP, Redevelopment Project Manager, City of Henderson, Nevada
David Fraser, Executive Director, Nevada League of Cities and Municipalities, Carson City, Nevada
Jeff Fontaine, Executive Director, Nevada Association of Counties, Carson City, Nevada
Bjorn (B.J.) Selinder, Public Policy Innovations, LLC, Fallon, Nevada representing Churchill, Eureka, and Elko Counties
Charles L. Horsey, III, Administrator, Housing Division, Department of Business and Industry

Hilary Lopez, Ph.D., Chief of Federal Programs, Housing Division,
Department of Business and Industry

Lon DeWeese, Chief Financial Officer, Housing Division, Department of
Business and Industry

Dan Musgrove, representing Norcal Disposal, Las Vegas, Nevada

Chris Barrett, representing Waste Management, Reno, Nevada

Kyle Davis, Policy Director, Nevada Conservation League, Las Vegas,
Nevada

Matt Rager, Owner, Empire Waste Systems, Mound House, Nevada

Stan Raddon, President and General Manager, Carson City Renewable,
Carson City, Nevada

Chris Giunchigliani, Commissioner, Clark County Board of Commissioners,
Las Vegas, Nevada

Ted J. Olivas, Director, Government and Community Affairs, City of
Las Vegas, Nevada

Douglas R. Lyon, Organization Effectiveness Administrator, Office of the
County Manager, Clark County, Las Vegas, Nevada, representing
Southern Nevada Regional Planning Coalition

Kenny Young, Senior Assistant to the City Manager, Office of Housing
and Neighborhood Services, City of North Las Vegas, Nevada

Rhonda Jackson-Pullens, Steward, Service Employees International Union,
Las Vegas, Nevada, representing the Las Vegas Housing Authority

Chair Kirkpatrick:

[Roll taken.] We will open the hearing on Assembly Bill 443.

Assembly Bill 443: Revises provisions concerning the election of Councilmen in
the cities of Reno and Sparks. (BDR S-811)

Assemblywoman Sheila Leslie, Washoe County Assembly District No. 27:

I want to introduce Michael Cabrera, my intern from the University of Nevada,
Reno (UNR). He did some incredible research on this bill, so I want to recognize
his hard work and make sure that he has all of our materials available in order to
answer any questions you may have.

You should all have a background packet on this bill that was distributed this
morning ([Exhibit C](#)).

Assembly Bill 443 is a bill about elections at the City Council level by ward. I
know this Committee is quite familiar with that concept, having worked on a bill
several sessions ago that was very similar.

The problem and the solution is that constituents want to elect their representative. We know government is best when it is closest to the people. There is a general feeling that voting by ward, or as in our case, by district, holds representatives more accountable to their constituents. This also enables the districts to be more actively represented and addresses the feeling of many that the current system favors incumbents and candidates with the most money.

This is a national issue. I want to draw your attention to a landmark voting rights event that arose from a similar situation during a Board of Supervisors race in San Francisco. In 1976, the voters of San Francisco passed a measure to create a system of district elections. In the following year, history was made as the City/County of San Francisco elected its first female African American supervisor, Ella Hill Hutch; its first Asian American supervisor, Gordon Lau; and its first openly gay supervisor, Harvey Milk. So the system in San Francisco clearly allowed for the different areas of the city to elect supervisors who would best represent their neighborhoods.

The history of the Reno election is quite interesting. On page 2 of your handout, there is a copy of a ballot portion from the November 1992 election in Washoe County. There was a three-part question on the ballot that year regarding the manner of elections. On the first question, R-4, voters agreed to a change in the manner in which members of the Reno City Council would be elected. Results of that election are seen on page 3. The voters agreed to change the manner by a vote of 55.5 percent. On the same ballot, there were two alternatives. Alternative R-4A is what I am requesting in this bill, where City Council candidates will run by ward in both the primary and general elections. The voters approved that by a vote of 66.6 percent. There was also a question on the same ballot with a different alternative, R-4B, and that reflects the current situation today, where candidates run in the primary in their ward, but they run citywide in the general election. The voters accepted that by 62 percent. But you can see clearly that the first alternative, which is the alternative in my bill, was approved by a slightly higher margin.

In March of 1993, Assembly Bill No. 320 of the 67th Session was introduced by Ken Haller, who happened to be the representative from my district. Unfortunately, Mr. Haller has since passed away. I would love to have had the opportunity to talk to him about what happened back then. He introduced the bill on March 5, 1993.

The next page shows a resolution that the Reno City Council approved on April 27, 1993, to put the matter on the ballot. You will note on the next page that the advisory ballot question said, "Shall the five city council members

representing wards continue to be voted upon by the registered voters of the city at large in the general elections?" They voted, through resolution, to put the second alternative on the ballot, not the first alternative. They ignored the fact that more people voted for the first alternative rather than the second one. The next page shows that it did pass on the city ballot, when city elections were held separately from the November elections. It was voted on favorably by 68.1 percent. The bill that Mr. Haller introduced did pass the Legislature in late June of that same year.

Your Committee passed a similar piece of legislation back in 2005 that dealt with a change in the North Las Vegas City Charter. That bill was Assembly Bill No. 197 of the 73rd Session, sponsored by Assemblyman Atkinson, so I know you are familiar with these issues. At that time, a lobbyist from the City of Reno testified in opposition to that bill and argued that the citizens in Reno feel that the City Council does represent their entire interests, so they do have the opportunity to vote at large in the general election for all the City Council members. You can see that that ignores the public vote.

Elections by ward is an issue throughout the United States. There is a bill now working its way through the New York State Legislature for all cities and towns in New York to change their law. The federal government won a lawsuit recently regarding this issue in *United States v. Village of Port Chester, New York*, after the U.S. Justice Department brought a case forward in 2006 which would require local government to change from an at-large electoral system, which was alleged to be discriminatory, to one that is district-based, in order to enforce the Voting Rights Act of 1965. We have details of that lawsuit and other similar lawsuits active at this time, if you are interested.

What does A.B. 443 do? It eliminates the at-large ward in Reno. It increases the number of wards in Reno from five to six. It replaces the office of Councilman at-large with a Councilman to represent the newly created Sixth Ward. The existing charters of both cities, Reno and Sparks, provide that the candidates for councilman to represent a particular ward must be voted on in a primary election only by the registered voters of that ward, but in the general election, they must be voted on by the registered voters of the city at large. The bill would amend the charters of the cities of Reno and Sparks to provide that Council candidates run by ward in both the primary and the general elections.

I think this is really good public policy. Since I do have to leave and I am not going to have a chance to listen to the opposition, I would like to lay out what I think some of the opposition is and what my remarks would probably be if I

were to stay. I have heard a lot of things, and you have already heard a lot of things as well, because you have had a similar bill.

One argument seems to be that we like a city council that can work together, where the Council members feel as if they represent the entire city. My problem with that is, I think an elected body is better when it has diversity. I recall in the Assembly Committee on Taxation the other day, when Mr. Goedhart and I both voted for a bill. The press remarked that it drew people's attention because we are basically at opposite ends of the political spectrum. We both felt very strongly that this was a good bill. That is good. That is good government. We want diversity. For me, it is about evening the playing field, and I think diversity is a good thing.

The Reno and Sparks City Councils have voted in opposition to the bill. Some of you heard me on the radio today. I did not have a chance to hear it, but I understand my motives and integrity were impugned at the Reno City Council meeting. It was said that I am bringing this bill forward because I had a whole slate of candidates running for City Council and they all lost. I am not a political boss or power broker trying to manipulate the City Council.

I understand that the City of Sparks may bring an amendment to say that no legislator can run for City Council for two years. I hope this is not true, but I heard they actually voted in public. For the record, I will never run for City Council. The only reason I am bringing this bill forward is to try to take some money out of the City Council races and to make sure the citizens feel they have a chance. There are many people in my district who think they could win in their ward but do not have the money to compete in a citywide race. I want everybody to have a chance to run for elective office. I want to see diversity on our City Council.

Assemblyman Claborn:

In section 2, subsection 2, it says, "The Mayor and Councilmen must be qualified electors within the City. Each Councilman must be a resident of the ward from which he is elected and must continue to live in that ward for as long as he represents the ward." What if he gets into a severe financial problem and loses his home and has to move out of the ward? How do you take that away from him? Do you have a way to do that?

Assemblywoman Leslie:

No. It is just like us; if we move out of our district, we lose our seat. When you are elected from an area, you have to live in that area. If you lose your house and move, you cannot be a representative for that district anymore.

Chair Kirkpatrick:

We can get you some information on that, Mr. Claborn. On some planning boards you are required to live within that area.

Assemblyman Claborn:

I do not want to jeopardize the bill, so you can get me the information later, as it is just a matter of formality. I like the whole context of the bill. I just had a question on the one paragraph.

Assemblyman Atkinson:

Assemblywoman Leslie, it is funny listening to this all over again. We had this same situation two sessions ago in this Committee. It was concerning North Las Vegas. You are expressing the same opposition that we heard at that time. Ms. Kirkpatrick and I were asked if we had other motives and if we were thinking of running for City Council. It is the same thing every year. I applaud your efforts and will anxiously be awaiting testimony on this bill.

Assemblyman Settlemeyer:

Are you concerned that having six members would create many tie situations?

Assemblywoman Leslie:

We have six now, plus the Mayor, who votes. The bill would change the at-large seat to a ward seat, creating another ward, but does not change the number of members.

Assemblyman Stewart:

At the present time, then, you do not have to live in the district you represent; is that correct?

Assemblywoman Leslie:

You do have to live in your ward because you have to run in your ward in the primary. If you make it through the primary, then you run citywide. So you do have to live in your ward. The issue is that the entire city votes on my Councilman.

Chair Kirkpatrick:

Regarding the incident Mr. Atkinson and I were involved in 2005, it was gratifying to see the residents actually picket. The wording must be very clear on the ballot.

Assemblywoman Leslie:

The rest of the packet contains information on the result of that bill you worked on in 2005. You can see how it went on the ballot in North Las Vegas and

what the arguments were, both for and against. The general election results showed that 69.42 percent of the people in North Las Vegas voted to change their system and elect their representative by ward.

Chair Kirkpatrick:

For the record, all the incumbents were reelected within their ward seats. In the beginning there was discussion as to who would get the money to their area, but now it is running smoothly. People take ownership. My constituents know they have a person they can call directly. When candidates were running at large, the constituents would call anybody who would listen and then get frustrated because nobody could help them. This also keeps us consistent with the rest of the nation.

Assemblywoman Leslie:

County commissioners run in their district as many other political entities do. As members of the Assembly, we have managed to get along and represent our people and also represent the state, the same way a City Council member represents his ward but also represents the entire city. Change is difficult.

Chair Kirkpatrick:

I will ask for those in favor of the bill to please come forward.

Ron Dreher, Private Citizen, Reno, Nevada:

I appear before you this morning as a concerned citizen. [Mr. Dreher referred to prepared text ([Exhibit D](#)).]

The current elections for the Reno City Council candidates are by ward only in the primary and citywide in the general election. What A.B. 443 does is level the playing field. In other words, all the wards in the city are currently at-large. You win in the primary, and then you advance to the general, which is citywide. Our Assembly and Senate races are by districts, as you all know. Our Congressional seats are by districts, our school board seats are by districts, and our judicial seats are by departments. Las Vegas and North Las Vegas have ward-only City Council elections, so why should Reno and Sparks not have citywide elections?

The population of Reno-Sparks in Washoe County is well over 400,000. The maps of the Reno wards show how large the wards have become. A ward-only election would provide fair and equal opportunities for all candidates by allowing for grassroots campaigns instead of well-heeled or money-connected campaigns.

In 2004, I entered the Ward 1 Reno City Council race. I made it through the primary election, but there was no way I could afford the citywide campaign that followed. The costs were enormous. I believe that by having a ward-only race, the candidate can concentrate on hearing the concerns of the constituents of his or her ward. While the City Council deals with citywide issues, the Council Members' major role is supposed to be the representation of the people of their ward. This ensures that no one group of people has unfair control.

If you look at the current City Council in Reno, you will find the incumbents have been there for many years. The opportunity for grassroots campaigns is almost impossible under the current system. A ward-only race removes the disparity, unfairness, and inequity concerns that we currently have.

I respectfully request that this Committee, by passing A.B. 443, provide the candidates who seek office on the Reno or Sparks City Council the opportunity to be elected only by those citizens who are in their wards.

Assemblyman Bobzien:

How much money did you raise when you ran? How much money did your opponent raise?

Ron Dreher:

I raised approximately \$20,000 in 2004, and my opponent raised approximately \$80,000. I think he raised a lot more in this last election.

Assemblywoman Spiegel:

What happened in subsequent years? Did somebody else come up and win in the primary in your ward and then lose in the general to the incumbent?

Ron Dreher:

Yes. That is exactly what happened. In 2008 I ran again, but there were three of us in the primary, which I did not survive. In the general, the person who beat me in the primary lost out because he could not raise any money either.

Assemblywoman Spiegel:

So you are saying that your ward has not had anyone representing you who actually lives in your ward? Am I misunderstanding?

Ron Dreher:

You are misunderstanding. You currently have to live in the wards. A few years ago, we had a city councilwoman who, through the course of her candidacy, moved out of her ward and lost her seat.

Chair Kirkpatrick:

I think the point they are trying to make is that Council members would live in their district, but they would not be voted in by their district. The people at large voted to reelect them. We have seen that occur often in North Las Vegas. I think that is the point you are trying to make, if I am not mistaken.

Ron Dreher:

That is correct, Madam Chair.

Chair Kirkpatrick:

I always found it interesting that we would have people who could not get elected by their own neighborhoods, but the rest of the city voted for them.

Ileri Rivas, Organizer, Progressive Leadership Alliance of Nevada, Reno, Nevada:

[Ms. Rivas referred to her prepared statement during her presentation ([Exhibit E](#)).]

The Progressive Leadership Alliance of Nevada (PLAN) would like to urge you to support A.B. 443 because we see it as an opportunity to increase civic engagement and participation in the Cities of Reno and Sparks.

The Progressive Leadership Alliance of Nevada (PLAN) has worked to provide Nevada residents throughout the state access to the democratic process of our communities. We see this bill as a definite way to increase that for Sparks and Reno.

Assembly Bill 443 allows for greater and more successful participation of communities that are traditionally disenfranchised in the decision-making process of their cities. It is neighborhood representation, or direct voting for their representatives, that is needed, and we encourage this process to take place.

Assembly Bill 443 encourages civic participation by increasing voter turnout. Voters are most likely to come out and vote in elections that they feel directly represent themselves and their families. If they are looking at their neighborhoods and they might know the candidate who is running, they are more likely to participate in those elections.

Assembly Bill 443 also provides more accessible pathways for members of diverse communities to run for office. By making city ward elections city-ward-only, we ensure that the cost of campaigning is manageable for the people intending to run. As we just heard, citywide elections can be too costly

specifically for communities that might not necessarily have the resources or the experience of running for office.

Assembly Bill 443 leads to greater accountability between constituents and elected officials because it provides for direct election. It allows for more focused elections and better run campaigns. Voters will have fewer candidates to research as they only need to look at the candidates for their ward, which will give them more time to determine the candidates' positions and to get to know them. The same goes for the candidates. They only need to focus on discussing issues with the members of their ward. We see that as a way to allow more resources to go into the campaigns and to increase conversations between candidates, constituents, and other local officials.

Finally, A.B. 443 will ensure that the democratic process of civic representation will be as open and engaging as possible for the Cities of Reno and Sparks.

Theresa E. Navarro, Private Citizen, Reno, Nevada:

I have been in the Reno area for about 35 years and an activist for about 20 years. I have been involved in the political process in Reno and Sparks for the past ten years, working on political issues and campaigns.

In 2004, I decided to run for the Washoe County School Board. I ran for District G, which is the board's at-large district. In the primary, there were seven of us, and I won the primary with zero dollars. I walked door-to-door and talked to people. When I won the primary and sent my form in, the Secretary of State called me to make sure I did not make a mistake by entering zero dollars on the form.

When I got into the general election, I did lose. I received 31,000 votes, which overwhelmed me. My opponent had money. In the primary, she started out with \$10,000, and in the general election, she had quite a bit of money to run. I had \$2,200 to run during the general election, and it was very difficult. It was more door-to-door, walking in my community, and being involved.

I believe that passing A.B. 443 will enable the grassroots candidates who are rooted in their neighborhoods to win. It will also give power to communities of color and underrepresented constituencies that can get out there and run for an office even if they do not have thousands of dollars to finance their campaigns.

Eric Holland, At-Large Member, Central Citizen Advisory Board, Reno, Nevada:

I live in Assemblywoman Leslie's district, and I want to thank her very much for bringing this bill forward.

I ran for Mayor of Reno in 2006. All of the things I was going to say about this bill have already been said, so, in the interest of time, I am just going to tell my Dwight Dortch story, which occurred when I was running for Mayor in 2006.

I believe in retail politics. I like anything that levels the playing field and makes a door-to-door candidate more effective. It is also a way to get more information out to people. I knocked on a door in a certain Reno neighborhood when a woman opened the door and started yelling at me about how fast Reno was growing and why was nothing being done about it. I looked over in her yard, and there was a Dwight Dortch sign in the yard. For those of you who are not familiar with local Reno politics, Dwight Dortch is probably one of the most unapologetic leapfrog sprawl proponents in the region. The reason I ran for Mayor is that I did not want Reno to double in size and leapfrog north. So, I said to her, "One of the people you disagree with most, based on what you are telling me right now, has his sign in your front yard." She responded, "Well, that is not what he said on TV." As a candidate, sometimes you do not have the money to get on TV. Your voice is silenced.

This is a good bill because it helps bring the power back to the people.

Chair Kirkpatrick:

Are there any questions? Does anyone else want to testify in support of A.B. 443?

Nancy Scott, Co-President, League of Women Voters of Northern Nevada, Carson City, Nevada:

I am speaking for our state league. We are in favor of this bill based on our positions on good governance and fair representation.

Chair Kirkpatrick:

Thank you. That was simple and to the point. Does anyone have any questions? Is there anyone else who would like to testify in support of A.B. 443?

Assemblyman Munford:

I have a question for Ms. Navarro. Are you planning on running for the City Council someday?

Theresa Navarro:

I did not get to say that, but I have thought about it, because if this bill changes things, it would give me a great opportunity to really consider it.

Assemblyman Munford:

It seems you have gathered some support.

Theresa Navarro:

Yes, I did, and I am still involved.

Assemblyman Munford:

Are there any minorities on the City Council?

Theresa Navarro:

At the present time, there are not.

Assemblyman Munford:

So is that your hope?

Theresa Navarro:

Yes, that is my hope, to have representation.

Chair Kirkpatrick:

Is there anyone who is neutral on A.B. 443? Okay, then let the opposition speak.

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

Our Council has taken a position to oppose this bill. They feel that if this is an issue, it is one they have not been made aware of by their constituents. They feel their constituents are better served if they are represented by each member of the Council. Even though they have not been made aware by their constituents that this is an issue, they have committed to putting it on the ballot in the next election for their constituents to decide whether or not this is how they would like to be represented. We are asking that this bill not be passed but put on the ballot for a vote.

If you change the way by which an elected official is elected, does that start their term limits over? It is our understanding that it does, but we want a legal answer.

Assemblyman Atkinson:

That did come up when we experienced the North Las Vegas incident in 2005. The answer was no. Of the City Council members who were up for election, we staggered two of them so they would not be on the same calendar, but their terms did not start over. Two who were opposed won their reelections, but it was their last term, so they did not begin again.

Reno was one of the few cities that opposed the bill, and now I feel we should have included them since they had an issue with it. I am not sure why Council members or anyone would have a problem with being elected directly by their districts. We have had individual City Council members in North Las Vegas lose the ward that they were running in, but win in other, more populated wards. For instance, if I was running for Ward 1, and Ward 1 rejected me, but Wards 2 and 3 voted for me, I would be in office. That is despicable.

Now Reno is back opposing this again. Why would you fear it? Many political candidates run in their specific districts. If you are doing a good job, you should not worry about the other candidates, because you will be recognized and your ward will get you elected. It should be the ward that you are running in that elects you, because those are the people you are representing.

Assemblyman Bobzien:

Quite honestly, would we get any other position on the bill from this? I hear that this is a representation issue, and that is a concern, but based on all the stuff I heard on the radio this morning, I think it is just a change issue. What we heard from the North Las Vegas experience is that after the change went in, nothing changed in terms of who was representing the wards. I am trying to figure out exactly what the heartburn is. Are there examples from past elections where somebody won in the primary in their ward but then lost in the general or vice-versa? Does this really happen?

Alexis Miller:

I am not aware, but I can find out for you if that has happened in Reno. Our Council members have not been made aware of this by their constituents that this is an issue, but they are willing to put it on the ballot so that the electorate can decide.

Chair Kirkpatrick:

We heard that same argument in North Las Vegas. We are out there every year and hear it more often. People are intimidated sometimes by the City Council. They are not intimidated by a County Commission and definitely not intimidated by an Assembly person, but sometimes they are intimidated by a City Council person. Seventy percent of the North Las Vegas voters were for this in the general election back in 2005. We did not promote it, but some people sent out flyers to oppose it. We have lived it.

Assemblyman Settlemeyer:

With a term limit issue, that would mean that every time we reapportion, all of our term limits could start over, so that argument does not go over well. What

concerns me is equal representation. I would like to know the current size of each one of the wards by population and the number of registered voters.

Robert (Rob) F. Joiner, AICP, Government Affairs Manager, City of Sparks, Nevada:

We have a somewhat different perspective. This bill was brought to our attention by the bill draft request (BDR) that Ms. Leslie introduced. That was the first we were aware of it. Our counsel was surprised by it. We immediately contacted Ms. Leslie and talked to her about her motivations, and she did a very good job, as always, explaining that it had come to her attention from constituents in her district in Reno. She did not have any issues in Sparks but thought it would be good to include Reno and Sparks at the same time.

We do have a very active Charter Committee. Our Charter Committee is made up of five members appointed by Sparks' representatives in the Legislature—Assemblyman Gustavson, Assemblywoman Smith, Assemblyman Anderson, and Senators Washington and Mathews—and additionally, each of our Council members and our Mayor makes an appointment to the Charter Committee. So we have an 11-member committee, and it rotates upon the election of those officials.

They are a very active committee. They meet every other year for several months. They deal with every issue in our charter, including elections. This would be the proper place to address this issue. Our city is not clamoring, and we have not heard any petitions at the Council for this issue.

We would welcome a vote of the people to have that issue reviewed again. Everything is open for discussion of the charter every two years. Tomorrow, our Senate Bill 213, which is our charter bill, is up in Senate Government Affairs, and I invite you to participate in that and see what we are doing this Session. We have a few clean-up items, and we are changing the way our Mayor pro tem is elected.

Last session, you might remember, we dealt with the issue of an elected or appointed City Attorney. That got a lot of attention. It was a great discussion and a great place for our community to be involved in our charter.

I was going to answer Mr. Settelmeyer's question. We are also very concerned right now about representation in our wards because of reapportionment. We have had very large growth in the north Sparks area, the fastest-growing area in the Truckee Meadows for the last five years. Of course, that area is skewed until we do reapportionment. We look at that every few years and adjust the figures. The Council member who has that fastest-growing ward is very

concerned that he represents a lot more people than the older areas in downtown Sparks. We are concerned about that, and we do adjust that as allowed by law.

Our problem with this, and I am sure you dealt with this in North Las Vegas, is the issue of territoriality and parochialism. Our Council has discussed that. They represent the whole city. It would just be natural that if you were elected only by your ward, you would hear only from your ward residents on local issues, and they would demand that you deal with those issues first.

We would welcome a vote of our folks to decide if this is an issue that they feel is preeminent. Again, we have an active Charter Committee. A lot of charter cities do not have a Charter Committee, or their Council is their charter committee. We have opened this up to have laymembers in our community appointed at the discretion of your elected appointees and our Council. We feel that is a good system.

Chair Kirkpatrick:

You said something that really frustrates me, because each one of us on this Committee lives in a different district. I have open dialogue with Ms. Woodbury about what is going on in Henderson. I can tell you about Pahrump or Nye County or Mineral County. I think it is a very unfair statement you have made. We each run in our own district, but we represent the entire state.

Assemblyman Christensen:

This is an interesting topic for me. In my district I represent 10 to 11 percent of the state's population. It is disproportionately enormous. It is like running for a congressional district on a fraction of a congressional budget.

In 2005 I supported the bill that was before this Committee. I represent a chunk of that area, so I supported it. While I do not represent Reno, the Vice Chair is from Reno and he is a friend, and I listen to him and others when they talk about this issue. I part ways with my colleague in the north because, as was said earlier, when a candidate is elected by all the voters, and not just those in his district, the voters have to consider everyone who is running. I can see the value in that, and this is where I part ways with my colleague.

I do not think it is despicable; I just think it is just a philosophical difference. I can also see value in putting this issue on the ballot. Reno may vote differently than North Las Vegas.

I have a question. Should this go to the ballot, when would that happen, and when would the change take effect if it were to pass?

Alexis Miller:

Our Council committed yesterday to put it on the next ballot, so that would be in 2010.

Assemblyman Christensen:

I realize that this is tough to address; it has obviously drawn a crowd. I heard our colleague talking on the radio this morning and on a National Public Radio (NPR) report yesterday. I know it is a heated topic and at times it can be a thankless position that you have to carry this message to the public. I do see that there could be philosophical differences on topics such as this one, and that is why it is interesting to figure out the best way to handle it.

Assemblyman Atkinson:

Mr. Christensen, let me explain this a different way. I understand what Mr. Christensen is saying. When Mr. Joiner was talking about the ability to serve everyone, I do not see that that ability is taken away by running for election in wards.

What happened in 2005 was each ward was not getting the representation that they felt they deserved, and in North Las Vegas it was very evident because the council members were catering to the wards that they knew had the most popular votes, the most residents, and the higher voter turnout. You saw a part of the city doing very well, but there were other parts of North Las Vegas that were not doing very well. Those residents felt Council members were not accountable to them nor elected by them, and they did not necessarily have to serve their needs. The way the money was allocated last time caused a lot of problems.

This argument that the City Council wants to be able to cater to everyone will never happen. It just does not occur. You can see it in North Las Vegas. I do not know Reno that well, and maybe they have a better handle on it. The neighborhood disparity still exists, as Council members continue to cater to those wards that they know have more votes.

Assemblyman Claborn:

I did hear you say you do not know why this bill is even being heard here today. Let me remind you that we are elected officials. We also work under the *United States Constitution*. If we do not like what our government is doing, we have the right of redress. That is what we are doing here today, and I take offense when someone comes into my Committee and tells me we should not be hearing any of these bills. We are elected. We hear anything that is brought to us by the public. So thank you very much, but no offense.

Chair Kirkpatrick:

Mr. Stewart, would you like to soften that up some?

Assemblyman Stewart:

Mr. Joiner, in Sparks, do you have the authority, prior to every ten-year census, to reapportion to balance out the districts? Are they fairly even now? Does Reno have a Charter Committee like Sparks does?

Rob Joiner:

Yes, Mr. Stewart, we do have reapportionment as allowed by law. It does get out of whack over several years, but we do have the right to come back and readjust, and we do. It is not just on the decennial. It is within intervening years as well.

I will respond to Mr. Settelmeyer and get him the closest representation numbers we can for right now. We adjusted the balance two years ago. It is a concern because the faster-growing areas might have migration out of some areas and large growth areas as well. It does get out of whack, and we try to adjust it because that is of great concern for our City Council members.

Assemblyman Stewart:

Mr. Christensen and I are elected from individual districts, but we have so many people that we almost consider ourselves elected by the whole state in some aspects. I still have the Charter Committee question for the Reno representative.

Alexis Miller:

I do not think we have a Charter Committee like Sparks does, but I will double-check on that for you.

Assemblywoman Pierce:

Listening to the discussion this morning, it seems it is a constant struggle to try to ensure that government is not run by a "good old boys' club." The other constant struggle is to try to minimize the effect of money on who gets elected. It seems very clear to me that the system, as it is, increases the probability that your entity is going to be run by a "good old boys' club" and that money is going to be the determining factor.

I absolutely support this bill. I am surprised because this seems like such an archaic way of doing things. We fixed this in North Las Vegas, and I hope we can fix this in Reno and Sparks.

Assemblywoman Mastroluca:

Living in southern Nevada, I recognize what you are saying and the arguments that you have against the bill. I do not live in the City of Las Vegas. I have not lived in that township for quite a long time. However, because all of our cities and townships are so close, you do know what is going on.

One thing I have noticed about the City of Las Vegas is that there is a lot of pride in those City Council people and their wards. Some amazing things have happened in some of those wards. Ten years ago, all you heard were bad things. But the City Council has embraced those neighborhoods, and those people know who they can call when they have a problem, and they use that knowledge. Those people feel safer, more comfortable, and more protected, because they know that there is one person in City Hall they can call to say, "I have this problem."

I think that is the goal of this bill. It is servicing the public. Our job as elected officials is to provide service and support for the people that we represent. It is a whole lot easier to know who you represent when you live in a ward and you have to represent that ward, just like I live in a district and have to represent that district. It does not mean that I do not care about the people in other districts, because I get emails and phone calls from other districts and I respond. The people in my district know they can reach me and contact me. We are trying to do this for Reno to give them a sense of security and to build that sense of community pride, based on those people living in that ward and representing that ward.

Assemblyman Goedhart:

In Nye County we have a large population center in the southern end of the county, which is Pahrump. There are other rural communities scattered in the north part of the county. A number of years ago, they went from electing commissioners at-large to electing commissioners based upon their district. The folks were very excited that their grassroots representative could actually be elected. Some of those folks added to the county's diversity and gave a voice to those who heretofore might have been intimidated by running a countywide race.

There is still concern from some people in the northern part of the county that while they have two of their "own" up there, they still get outvoted 3 to 2. Regardless of what we try to do here, there is always that challenge to make sure everyone feels their voice is heard and that they have reasonable access to dictate the outcomes of these elections with their representatives.

I do applaud Reno's efforts and their commitment to putting this on a future election ballot.

Richard "Skip" Daly, Business Manager, Laborers' International Union of North America, Local 169, Reno, Nevada:

I was appointed as a member to the Sparks Charter Committee by Senator Mathews. They are citizen appointees who address all issues in the Sparks Charter. Addressing the issue that Mr. Joiner spoke to, a couple of years ago we came here to this body with a recommendation from the Charter Committee requesting a change in the charter to make the appropriate adjustments prior to every election to keep the population balanced.

I have heard the arguments both ways. As a citizen of Sparks and as a member of the Charter Committee, I would just as soon have Sparks left out. We have never had these issues, and we have never had a problem with somebody sandbagging the district. We have never had someone lose in their primary and win in the citywide election. The Charter Committee can take this up and take a look at it, but as a citizen of Sparks on the Charter Committee, I would rather come to you with a recommendation for change.

Sparks should be left out. We do not have those issues, and we have never seen them. Inversely, if there is a person on the Sparks City Council elected in his ward that I do not live in, and he is doing something bad for the city or something I do not like, I have lost my franchise to vote for or against that person.

So you need to look at it from both sides. One side is good, and one side is bad, and depending on the circumstances, it can be both at the same time.

Chair Kirkpatrick:

Does anyone else have any questions? [There were none.] Does anyone else want to testify on A.B. 443? [There was no one.] I will close the hearing on A.B. 443.

Assemblyman Atkinson:

I have to be consistent. If it was a good idea for North Las Vegas, then I feel it is a good thing to do for other cities. I agree with Ms. Pierce when she said we should get this over with and be done once and for all. Again, we have the argument that individual Council members are saying, "We did not hear this from our constituents." We heard the same thing in North Las Vegas. We agreed to put it on the ballot, and nearly 70 percent of the people agreed with us, although some City Council folks and the Mayor spent hundreds of thousands of dollars trying to defeat the question. It passed with almost

70 percent of the vote, and I have no doubt it would again. I do not want to waste people's time over something we know the people want, so I am inclined to ask the Chair if she would entertain a motion on this bill.

Chair Kirkpatrick:

I do not have a problem with that. Is that a motion?

ASSEMBLYMAN ATKINSON MOVED TO DO PASS
ASSEMBLY BILL 443.

ASSEMBLYWOMAN PIERCE SECONDED THE MOTION.

Chair Kirkpatrick:

Is there any discussion?

Assemblyman Settlemeyer:

I appreciate the motion to move the bill forward and get to the resolution of this issue. I would like the information on the ward sizes, and I will hold off on my vote until the floor session, which I think is appropriate, based on one man, one vote, unless there is a willingness to accept an amendment that this would not go into effect until after reapportionment, when the wards would be the same size, guaranteed.

Assemblyman Atkinson:

I could see that as a valid point if that was going to be consistent throughout. We will reapportion, but after several years, the numbers will be out of whack again. My district and Mr. Christensen's district each used to have a population of about 53,000, and now his is three times as large as mine. I do not see that issue as a reason to not support this bill.

Assemblyman Settlemeyer:

We have gone almost ten years since these districts, wards, and precincts have been established, and they are so far out of whack, I worry that if the bill goes into effect now, that disparity would occur. If we wait for the census and reapportionment to be done, we could start on a level playing field.

Chair Kirkpatrick:

Mr. Settlemeyer, I think you were out of the room when they mentioned they currently have the ability to adjust their figures. They just did it a few years ago. Mr. Joiner was going to cover that for you. By the time it goes to the general election ballot, it does not take effect until 2011, so the census will be done.

Assemblyman Stewart:

I will support the motion, but I reserve my right to change my vote on the floor.

Assemblyman Goedhart:

If we vote for this bill, does that mean we are going to take it to the voters for their approval, or is this done independent of a vote in those cities affected by the bill?

Chair Kirkpatrick:

Currently, this does not include going to a vote of the people, but I guess the bill's sponsor could make an amendment on the floor, or the Senate could do that. Mr. Atkinson, is your motion just to Do Pass the bill the way it is?

Assemblyman Settlemeyer:

I just saw that the bill says the ward boundaries would change if, according to the last census, the population of any ward exceeds the population of any other ward by more than 5 percent.

Assemblyman Christensen:

This is my first exposure to this bill. There are obviously opinions on both sides, which I understand from having been here in 2005 when the North Las Vegas issue came up. I supported it. We did send it to a vote of the people, and it came back with significant support for changing that law. Speaking with Mr. Atkinson, I understand it has done well for the city.

We are moving this bill rather quickly, especially by hearing opinions on both sides. I understand if you want to move on this. My preference would be to be able to speak and have an open dialogue with those who have a stake. I would probably abstain from voting on the bill.

Chair Kirkpatrick:

Mr. Christensen, this bill is rereferred to the Committee on Elections, Procedures, Ethics, and Constitutional Amendments (EP&E), so you get to hear it twice. The bill has to get out by April 10. Did that help your abstention? Although we are moving it fast—it is a controversial issue—it does get a second hearing in the next eight days.

Assemblyman Christensen:

If I understand you correctly, a passage of this in this Committee will move the bill to EP&E?

Chair Kirkpatrick:

It will move it back to the floor, where it will be rereferred to EP&E.

Assemblyman Christensen:

It will go to the floor and then to EP&E.

Assemblyman Goedhart:

I believe this bill has a lot of merit; however, based upon the fact that it has been moving rather quickly, I intend to support it but reserve my right to change my vote on the floor.

Chair Kirkpatrick:

Is there any further discussion? All those in favor, please say "aye." Any opposed?

THE MOTION PASSED. (ASSEMBLYMAN CHRISTENSEN
ABSTAINED FROM THE VOTE. ASSEMBLYMEN GOEDHART AND
STEWART RESERVED THE RIGHT TO CHANGE THEIR VOTE ON
THE FLOOR.)

Chair Kirkpatrick:

We are going to move to our work session. We are going to take a two-minute recess. For your information, A.B. 223 has been withdrawn from today's work session.

[Recess.]

Chair Kirkpatrick:

We are going to call the meeting back to order and start our work session. We will start with Assembly Bill 40. I will refer to Ms. Scholley.

[Assembly Bill 40](#): Revises provisions governing the review and approval of plans for the construction or alteration of school buildings. (BDR 34-322)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 40 ([Exhibit F](#)) was sponsored by the Committee on behalf of the State Public Works Board. It revises provisions relating to the construction or alteration of school buildings.

As originally proposed, A.B. 40 eliminated the need for the Clark County School District to submit its plans to the State Public Works Board. Instead, it required the school district to submit plans to the county or other appropriate local building department, which is the same treatment that the other school districts in the state receive.

However, at the hearing the Clark County School District submitted an amendment as set forth in the attached mock-up ([Exhibit G](#)). The amendment changes the bill focus and allows the Clark County School District to create its own building department.

The other counties are not affected by this amendment. There was no testimony in opposition to the bill at the hearing.

Chair Kirkpatrick:

The public knows the Committee always gets their documents the day before the meeting so they have ample time to read them. Is there a motion?

ASSEMBLYMAN ATKINSON MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 40.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Mr. Goedhart, can you do the floor assignment?

Assemblyman Goedhart:

I would be glad to do it.

Chair Kirkpatrick:

Mr. Atkinson, I just want to clarify; it was Amend and Do Pass, correct?
[Assemblyman Atkinson shook his head yes.]

Chair Kirkpatrick:

The next bill on our agenda is Assembly Bill 48.

Assembly Bill 48: Allows a public body to resolve disputes in a contract for a public work by way of processes other than arbitration. (BDR 28-405)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 48 ([Exhibit H](#)) was sponsored by the Committee on behalf of the City of Las Vegas. The bill, as originally proposed, would have removed the requirement that an arbitration clause be included in public works contracts.

At the hearing, the City of Las Vegas submitted an amendment ([Exhibit I](#)), which has been slightly modified as set forth in the attached mock-up. The amendment changes the requirement that instead of requiring an arbitration clause in public works contracts, an alternate dispute resolution would be

provided for in all contracts. This would open up options such as mediation and nonbinding arbitration.

Chair Kirkpatrick:

Do I have a motion?

ASSEMBLYWOMAN PIERCE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 48.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Kirkpatrick:

Ms. Pierce will do the floor statement? We will now hear Assembly Bill 97.

Assembly Bill 97: Requires the establishment of procedures for transferring governmental functions between and among local governments and state agencies. (BDR 31-487)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 97 ([Exhibit J](#)) was sponsored by the Committee on behalf of the Nevada League of Cities and Municipalities. Assembly Bill 97 requires the Committee on Local Government Finance to develop and adopt regulations for transferring functions between the state and local governments and between local governments. An amendment has been proposed as set forth in the attached mock-up ([Exhibit K](#)). The amendment primarily affects the transfer of functions between state government and local government.

The amendment, which is in conceptual form, is to ensure that notice is given of any transfer of function no later than 30 days before September 1 of even-numbered years, which would allow state government to incorporate the proposed changes into its budget submittal. The amendment would also ensure that any such change would not be effective until July 1 of the odd-numbered year after that, which would provide time for the Legislature to deal with the fiscal impacts or the policy implications of the transfer of functions. This, as drafted, would go both ways. Also you will notice on page 2 of the mock-up, at line 39, the timeline for notification has been changed to 180 days prior notice for transfer of functions between local governments. That amendment was proposed by the League of Cities.

Chair Kirkpatrick:

Is there a motion?

ASSEMBLYMAN SETTELMAYER MOVED TO AMEND AND DO
PASS ASSEMBLY BILL 97.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Kirkpatrick:

Mrs. Mastroluca has volunteered for the floor assignment. We will now hear
Assembly Bill 139.

Assembly Bill 139: Requires the compilation, analysis and reporting of
information concerning low-income housing and housing suitable for use
by persons with disabilities. (BDR 25-225)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 139 ([Exhibit L](#)) was sponsored by the Assembly Committee on
Commerce and Labor on behalf of the Interim Subcommittee to Study Mortgage
Lending and Housing Issues. This bill requires the Housing Division to create
and maintain a statewide low-income housing database which, as specified in
the bill, will contain various data and information. The bill also requires owners
of housing who have received government assistance to report to the Office of
Disability Services on the availability of housing. Funding for the database is
capped at \$175,000 per year, which will come from the account for
low-income housing. No amendments were proposed.

Chair Kirkpatrick:

Do I have a motion?

ASSEMBLYMAN BOBZIEN MOVED TO DO PASS
ASSEMBLY BILL 139.

ASSEMBLYMAN AIZLEY SECONDED THE MOTION.

Chair Kirkpatrick:

Is there any discussion? I presented this bill. We did some research and found
Utah was able to do the same project for about \$50,000. There is already a
link that is very easy to use. The Department of Housing and Urban
Development (HUD) had some information for input on the project. All those in
favor say "aye."

THE MOTION PASSED UNANIMOUSLY.

Chair Kirkpatrick:

Mr. Bobzien volunteered for the floor assignment. We will now hear Assembly Bill 147. [Assemblyman Goedhart left after the vote and never returned.]

Assembly Bill 147: Requires local governments to grant preference to local bidders bidding on certain contracts for goods or services. (BDR 27-753)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 147 ([Exhibit M](#)) was sponsored by Assemblywoman Spiegel, Assemblywoman Kirkpatrick, and Assemblywoman Smith. The bill as originally proposed required local governments to give a local bidder's preference of 5 percent when advertising for bids and awarding purchasing contracts. The local preference would also apply to certain contracts not adapted to competitive bidding. The original bill also required local governments to define local bidder with respect to certain criteria. The sponsor has proposed amendments as set forth in the attached mock-up. Assemblyman Hambrick has asked to be added as a sponsor to the bill.

Turning to the mock-up ([Exhibit N](#)), I will walk you through it quickly. In section 1, subsection 1, there will be a clarification that, with respect to both subsections 1 and 2 of section 1, only bidders meeting the minimum qualifications would get the benefit of the 5 percent preference. There would also be a \$25,000 threshold based on *Nevada Revised Statutes* (NRS) 332.039.

On page 1 of the mock-up you can see that somewhere in the bill a provision will be added indicating that if there is anything in federal law that would preclude the application of such a preference that the preference would not apply, so the bill would not be disqualified by reason of the preference.

On page 2, the proposed amendment by the sponsor deletes the requirement that the local governments define local bidder by ordinance or regulation. The bill will provide a definition of local bidder. To qualify as a local bidder, the business must have business operations in Nevada with at least one full-time employee for the past two years—except that businesses in which women, minorities, or service-disabled veterans have a 51 percent or greater ownership in the company will have been required to have had a full-time Nevada employee for one year. So there is a lower threshold for those businesses.

Local governments may accept certification by other public or private entities to establish status of a business as a women-, minority- or service-disabled veterans-owned business. There are various entities that do that. WomenBiz.gov will certify women-owned businesses. The Nevada Minority

Business Council will certify minority-owned businesses. The U.S. Department of Veterans Affairs will certify service-disabled veterans' businesses at VetBiz.gov. The local governments will not have to bear the burden of those certifications.

On page 3 of the mock-up, because contracts "not adapted to award by competitive bidding" include contracts for professional services, there will likely need to be added some cross-references in Title 58 to allow consideration of the local preference, in addition to the qualifications and competence considerations, which are currently the only two allowed in Title 58 for some of the professional boards.

On page 4, you will see highlighted in yellow the specific contracts not adapted to competitive bidding which are going to be affected by A.B. 147. On page 5, there is some new language relating to these "sole source" or "not adapted to award by competitive bidding" requirements, which makes the local preference a factor to be considered but does not dictate the specific 5 percent preference, except that the local preference must account for not less than 5 percent of the points awarded if the local jurisdiction uses a point system or similar scoring rubric.

In subsection 7, lines 40 through 43, regarding the selection of professional services, it says that an additional consideration would be the number of owners and principals who are Nevada residents.

Finally, on page 6, there are two more changes. One adds a reporting requirement. Reports would be filed no later than October 1 of each year and would include at a minimum the items listed there. There is also a proposed change of the effective date to July 1, 2009.

Chair Kirkpatrick:

Do I have a motion?

ASSEMBLYWOMAN PIERCE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 147.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

Chair Kirkpatrick:

Is there any discussion?

Assemblyman Settelmeyer:

I still feel we should allow the preference but only have the person be able to match the low bid, so the counties and municipalities will not have to spend any more money.

Assemblyman Stewart:

I appreciate the amendments that have been made. I need to study them a little further. I will be voting yes with the option of changing my vote on the floor.

Chair Kirkpatrick:

Is there any other discussion? All those in favor please say "aye." Any opposed?

THE MOTION PASSED. (ASSEMBLYMEN CHRISTENSEN AND SETTELMAYER VOTED NO, AND ASSEMBLYMAN GOEDHART WAS ABSENT FOR THE VOTE. ASSEMBLYMAN STEWART RESERVED THE RIGHT TO CHANGE HIS VOTE ON THE FLOOR.)

Ms. Spiegel will do the floor statement. Assembly Bill 223 has been withdrawn at the request of the bill's sponsor. We will now consider Assembly Bill 226.

[Assembly Bill 226](#): Makes various changes concerning the financial organization of irrigation districts. (BDR 48-991)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 226 ([Exhibit O](#)) was sponsored by Assemblyman Goicoechea and Assemblyman Grady by request with joint sponsors from the Senate. The bill as originally proposed increases the maximum allowable debt for irrigation districts up to \$500,000 and also the maximum allowable annual assessment to \$5 per acre. An amendment was proposed by the sponsor and was subsequently clarified as set forth in the attached mock-up ([Exhibit P](#)).

On page 1 of the mock-up as proposed by the sponsor, the maximum assessment for payment of ordinary and current expenses of the district will stay at \$1.50 per acre. On page 2 of the mock-up, the sponsor proposed a change to allow an assessment of up to \$5 per acre for the establishment of a capital improvement fund. There will also be additional clarification added to the bill, as you can see here in conceptual form on lines 5 through 8, that in no event will the annual assessment exceed \$5 per acre and that in no event may more than \$1.50 per acre be used for the current and ordinary expenses of the district. It is not cumulative. It can never be more than \$5, of which \$1.50 can be used for ordinary expenses, but no more. The sponsor took out the limits on the amount of money that can be spent in cases of necessity.

Chair Kirkpatrick:
Do I have a motion?

ASSEMBLYMAN STEWART MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 226.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN GOEDHART WAS
ABSENT FOR THE VOTE.)

Mr. Goicoechea will have the floor statement. We will move on to
Assembly Bill 236.

Assembly Bill 236: Revises provisions governing grants of money for water
conservation and capital improvements to certain water systems.
(BDR 30-1049)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 236 ([Exhibit Q](#)) was sponsored by Assemblyman Grady by request. Senator Amodei was the joint sponsor. Assembly Bill 236 makes nonprofit water purveyors eligible for grants by the Board for Financing Water Projects from the Fund for Grants for Water Conservation, Capital Improvements to Certain Water Systems, and Improvement to Certain Sewage Disposal Systems, also known as "A.B. 198" grants, after Assembly Bill No. 198 of the 66th Session.

An amendment was proposed by Skip Daly was then further clarified by suggestions from the Labor Commissioner, and is set forth in the attached mock-up ([Exhibit R](#)) with my interpretation of those comments.

A question was asked at the hearing about how many of these companies there were, and according to the Nevada Department of Environmental Protection (NDEP), there are 15 of them statewide.

On page 3 of the mock-up, the amendment as proposed simply provides that if these nonprofit water companies accept these "A.B. 198" grants, they would then be considered public bodies for purposes of NRS Chapter 338, which refers to public works. They would also be considered a public body for purposes of enforcing the provisions of NRS 338.010 to NRS 338.090.

Chair Kirkpatrick:
Is there a motion?

ASSEMBLYWOMAN PIERCE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 236.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

Chair Kirkpatrick:
Is there any discussion? We found that this will allow these nonprofit agencies to have the ability to access two different funds that are already in existence. Silver Springs received a couple of million dollars, and it made a huge impact on their community. Is there any further discussion? All those in favor please say "aye." Any opposed?

THE MOTION PASSED. (ASSEMBLYMAN GOEDHART WAS
ABSENT FOR THE VOTE.)

Mr. Grady will do the floor statement. We will now go to Assembly Bill 305.

Assembly Bill 305: Provides for an ex officio State Paleontologist.
(BDR 33-254)

Susan Scholley, Committee Policy Analyst:
Assembly Bill 305 ([Exhibit S](#)) requires the Administrator of the Division of Museums and History to designate a State Paleontologist. Amendments were proposed by the sponsor at the hearing and are in the attached mock-up ([Exhibit T](#)). There have been no changes from the amendments that were submitted at the hearing.

Chair Kirkpatrick:
May I have a motion?

ASSEMBLYMAN BOBZIEN MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 305.

ASSEMBLYMAN SETTELMAYER SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN GOEDHART WAS
ABSENT FOR THE VOTE.)

Chair Kirkpatrick:

Mr. Mortenson will do the floor statement. Lastly, we will hear Assembly Bill 306.

Assembly Bill 306: Designates the month of April of each year as "Paleontological Awareness Month" in Nevada. (BDR 19-1085)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 306 ([Exhibit U](#)) was sponsored by Assemblyman Mortenson and designates April as Paleontological Awareness Month in Nevada each year. No amendments were proposed.

Chair Kirkpatrick:

Is there a motion?

ASSEMBLYWOMAN SPIEGEL MOVED TO DO PASS
ASSEMBLY BILL 306.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN GOEDHART WAS
ABSENT FOR THE VOTE.)

We will move out of work session and get back to our agenda. Mr. Grady, please present Assembly Bill 465.

Assembly Bill 465: Revises provisions governing certain tax credits for housing development projects. (BDR 25-1277)

Assemblyman Tom Grady, Assembly District No. 38:

[Assemblyman Grady referred to prepared text ([Exhibit V](#)).]

Today I bring to you A.B. 465 at the request of the Nevada Rural Housing Authority (NRHA). I will disclose that in past years I have served on the board of the NRHA, appointed members to the board as Executive Director of the Nevada League of Cities, was a founder and past board member of a 501(c)(3) nonprofit group which transferred Yerington Senior Citizen Housing Corporation to the NRHA, and have also served on the Private Activity Bond Board.

I will state that I have had no direct or indirect authority with the NRHA for some years, but I do believe in their mission.

With that disclosure, Madam Chair, and with your permission, I would like to turn this over to the professionals who will explain the reasons for the bill: CJ Manthe from NRHA and former Senator Ernie Adler, legal counsel for the NRHA. This bill was necessary to clean up some language that has been in question by the NRHA. I have talked with our legal counsel, and after some discussion, she recommended that we put in a bill so there would be no question as to whose authority would go where. From my understanding, we are one of the few states that has not adopted the proposals that will be offered to you today. With that, I would like to turn the discussion over to Mr. Adler.

Chair Kirkpatrick:

Does anyone have any questions for Mr. Grady? [There were none.] Mr. Adler, please just summarize for us.

Ernest E. Adler, Attorney at Law, representing Nevada Rural Housing Authority, Carson City, Nevada:

I presume the Committee has read my opening remarks. [Mr. Adler referred to his prepared testimony ([Exhibit W](#)).]

I would like to state that this bill does not affect just the Nevada Rural Housing Authority. It affects every city and county within the State of Nevada. Currently, in Nevada, the Housing Division of the Department of Business and Industry is allowed to do bond financing along with a 4 percent tax credit, which is usually required for multifamily housing projects within the state. These projects are for low- to- moderate-income persons throughout the state. Under Nevada's regulation, only the Housing Division can issue these bonds and tax credits. This amendment allows counties, cities, and the NRHA, as a local governmental entity, to issue these same tax credits to do low-income housing projects.

Currently under the law, if you are a developer in Henderson, you would have to go to the state to get bond and tax credits to do a housing development in Henderson. This amendment would allow you to go to the City of Henderson, do a bond issue, and get these tax credits through them to do the project. You can work with your own people and do it locally.

I think this is a big advantage. We went to the bond counsel, and I had him research this matter. He conducted a survey of 50 states and found no other state that does financing the way the State of Nevada does. Just about every state we contacted allows counties, cities, and other local entities to do these bond issues with tax credits. All we are asking is to have the same authority

that other cities, counties, and local governments in the other 49 states have to do these types of projects.

There is a huge need for these projects in Nevada. One waiting list for Section 8 multifamily housing in rural Nevada has 3,000 people on it. If you extrapolate that to Clark County and Washoe County, the master list might run as high as 60,000 to 70,000 people in need of this type of housing. This would open up alternatives for developers to get bond capacity to obtain tax credits to build this very necessary housing for the State of Nevada.

I know one of the Housing Division's arguments is going to be that we do not have the competence to do these types of bond issues. Nevada Rural Housing Authority is able to do single-family dwellings bond issues, but we are prohibited from doing multifamily bond issues. We do have the competence.

The counties and cities also have the competence to do these types of bond issues because all of them are affiliated with bond counsels, such as Swendseid and Stern, who have the expertise to put together these types of packages and deals.

I urge your support of this bill. I think it is the right thing to do for the low-income people of the State of Nevada, and it does allow our developers an alternative for seeking financing for these projects, rather than being reigned in and having to go through the state. Even if you pass this bill, the state is going to conduct most of the deals within the State of Nevada. This just provides an alternative.

[Chair Kirkpatrick left the room. Vice Chair Bobzien took over as Chair.]

Vice Chair Bobzien:

Thank you, Mr. Adler. Would you like to provide any testimony, Ms. Manthe?

CJ Manthe, Chief Operating Officer, Nevada Rural Housing Authority, Carson City, Nevada:

Mr. Adler has summarized our position, and I think he has stated quite clearly our thoughts on this issue.

Vice Chair Bobzien:

Thank you. Are there any questions from the Committee? Do we have anyone else in support of A.B. 465?

Lisa Corrado, LEED AP, Redevelopment Project Manager, City of Henderson, Nevada:

We want to support the bill and echo the testimony that Mr. Adler has already provided.

David Fraser, Executive Director, Nevada League of Cities and Municipalities, Carson City, Nevada:

I want to thank the Committee for taking time to hear this bill, and I thank Assemblyman Grady for bringing it forward. I want to disclose that as Executive Director of the League of Cities, I do appoint some members of the Board of the NRHA. I also sit on the Private Activity Bond Advisory Committee.

We all recognize the need for affordable housing in the State of Nevada. I believe this puts one more tool in the toolbox. The cities have the capacity to do this, and I think it is important that the developers have those options when they are seeking to do a project. I agree with what Mr. Adler said, that even with the passage of this bill it is likely that the lion's share of those credits will still be done by the state Housing Division. It is important that the cities and counties, as well as the NRHA, have the ability to do that.

The NRHA is a statutorily created authority which is specifically tasked with bringing those kinds of opportunities to rural Nevada. They do an outstanding job with the programs they have. There is an information sheet that has been distributed to all of you ([Exhibit X](#)). I will point out that the NRHA was designated as a high performer by HUD for the second year in a row. The NRHA was also named the West Coast's Public Housing Authority of the Year. In addition, the authority's weatherization manager received the Outstanding Person in Weatherization Award at the Energy Out West Conference. They have an excellent staff.

Vice Chair Bobzien:

Are there any questions for Mr. Frazer? [There were none.]

Jeff Fontaine, Executive Director, Nevada Association of Counties, Carson City, Nevada:

Like my colleague, Mr. Frazer, I should mention that our association appoints two members to the Board of Directors of the NRHA, and I am also a member of the Private Activity Bond Board.

We definitely support A.B. 465. We want to thank Assemblyman Grady for bringing this bill forward. I want to point out that the Legislature has already granted authority to counties under NRS Chapter 244A to issue bonds for

affordable housing. This bill gives the counties and cities the additional tool to make those bonds worth investors' and developers' time.

Bjorn (B.J.) Selinder, Public Policy Innovations, Fallon, Nevada, representing Churchill, Eureka and Elko Counties:

I agree with the others. The bill makes sense, clarifies statute, and will hopefully lead to innovation and, ultimately, efficiencies and certainly better service.

Vice Chair Bobzien:

Are there any questions? [There were none.] Are there others in favor? [There were none.] Is there anyone neutral on the bill? [There was no one.] Is there anyone in opposition?

Charles L. Horsey, III, Administrator, Housing Division, Department of Business and Industry:

I want to introduce Lon DeWeese, the Division's Chief Financial Officer, and Dr. Hilary Lopez, who is in charge of our tax credit department.

I would like to give you some background on why the state requirements are imposed and why they exist. The Housing Division was created by the 1975 Nevada Legislature to augment or supplement the lending activities of the private sector, the idea being that we would get people into homeownership earlier than their normal economic circumstances might allow. We also started financing apartment complexes for low- to moderate-income families and primarily senior citizens in Clark County.

Today, approximately 40,000 Nevada families live in a home or an apartment unit that we have financed at no cost to the taxpayers of the state. We are entirely self-sufficient. We get no taxpayer monies, nor did we participate in any of those subprime loans or other newsworthy transactions.

In 1982, Congress passed the Tax Equity and Fiscal Responsibility Act. In 1986, I was appointed as the Administrator by Governor Richard Bryan. Later that year, when tax credits were created, we were designated as the allocating agency for tax credits in Nevada. We have performed that role since 1986.

Today we see the primary motivating factor behind A.B. 465 involves the rural areas of the state, in which, ironically, we have financed more apartment units than the rest of the state's lenders combined. Every year when Dr. Lopez conducts the public hearings, we set aside money specifically for the rural areas.

What happened with the developer who prompted A.B. 465? I do not remember the exact year, but we were the first housing finance agency in the country to impose some stringent energy conservation measures in the projects we have financed. The residents in the complexes we finance realize lower utility bills, and they are able to advertise and market the fact that they have energy efficient units available. The particular developer who came to us did not want to incorporate the stringent energy conservation standards that we require.

When we award tax credits to a project, that equates to all of the equity a developer needs to build and open that complex. We think that in exchange for the tax credits that allow them to build their project and have the equity that is needed, they should abide by the requirements of a governmental entity, and in this case, incorporate energy efficiency conservation standards.

The development community was a little nervous at first because of the additional cost, but subsequently, they have found out how advantageous it is to be able to market the fact that they have "green" units.

It was mentioned that the NRHA has the authority to issue bonds for first-time homebuyers. We did not oppose that because I thought the time had come for the rural areas of the state to have their own champion to get into the home-ownership finance business. I still think it made sense.

Financing apartment complexes is very different than financing single-family homes. It is more complex, costing millions of dollars. The underwriting for first-time homebuyers is primarily done by the private sector lenders who originate loans. No housing finance agency in the country has the expertise that we have in Nevada. I am not talking about myself. I have been doing financing real estate in Nevada since 1966.

Dr. Lopez has her Ph.D. in urban planning. She supervises the tax credit allocation process. She started out with the City of Reno in their affordable housing arena. She and her staff underwrite every single application for tax credits. Mr. DeWeese has been with me since 1988 and is one of the country's foremost experts on underwriting. No one else has the expertise that these two people bring to the table. It is no accident that the City of Las Vegas, the City of North Las Vegas, the governments of Henderson, Clark County, Reno, and Sparks have us do their financings, because we have the experience and expertise.

The rural areas are particularly vulnerable to having someone sell them a bill of goods. We have provided the financing for affordable housing projects in

Winnemucca, Ely, Elko, Mesquite, Wendover, and Jackpot. Not only have the rural areas been served, they have been served very well. We welcome the presence of the NRHA on the single-family homeownership side, but they just do not have the expertise in underwriting large multi-family complexes.

Chair Kirkpatrick:

Thank you. Do you have anything to offer that we have not already heard, Ms. Lopez?

Hilary Lopez, Ph.D., Chief of Federal Programs, Housing Division, Department of Business and Industry:

What concerns me regarding the language in the bill is the local governments' ability to establish their own guidelines and procedures. We pride ourselves on the fact that we do very thorough underwriting of our projects and hold our projects to a very high standard. We would not like to see developers use this as a loophole to get around what are very good underwriting standards, strict requirements on energy efficiency matters, or other requirements to which we subject our projects. We also do not want to create a system where there is unfairness, because others would be able to take a different route by holding to lower standards than the division's projects.

Charles Horsey:

I have already mentioned our recognition of the NHRA and their weatherization expertise. We selected them as a weatherization agent for Carson City.

Chair Kirkpatrick:

Mr. Horsey, I think we heard your concerns. Is there something specific you wish to add? I was on the mortgage committee and learned a lot about rural housing. Your points are well-taken. We have to look at holding people to standards to avoid problems 20 years from now.

Charles Horsey:

All I wanted to share was what Wall Street thinks of the Housing Division. Standard and Poor's rating service revised its outlook to positive from stable and has affirmed its Double A issuer credit rating on the Nevada Housing Division. The rating is based on the following strengths: (1) the high quality and low-risk nature of its asset base; (2) improving profitability and financial performance; (3) low geodebt of less than 3 percent; and (4) a conservative, experienced management team with legislative and gubernatorial support.

Lon DeWeese, Chief Financial Officer, Housing Division, Department of Business and Industry:

I want to echo both Mr. Horsey's and Dr. Lopez' statements about our concern regarding underwriting standards that would be different than that which the state has created through its regulatory and rule-making process. No developers have protested the rules in underwriting, and yet this bill would allow the Rural Housing Authority and others to create alternative standards.

Assemblywoman Spiegel:

It seems the main concern about this bill is over the guidelines and procedures on page 2, lines 4 through 9. If that portion of the amendment were deleted, would you be supportive of the first part of the bill?

Chair Kirkpatrick:

That would delete the whole bill.

Lon DeWeese:

I do not know if we have an opinion on that sort of an edit at this time. We would have to think about it because the issue of granting credits without standards becomes very problematic.

Assemblywoman Spiegel:

But if you developed the standards, then the other entities could offer the bonds.

Lon DeWeese:

I do not see what would be gained by that. We worry that our standards would not be followed and that they could be amended. That is our primary concern.

Chair Kirkpatrick:

Ms. Spiegel, I am sure they can get you the information on how the process works. I think that is most helpful.

Lon DeWeese:

The information is online at our website, which is www.nvhousing.state.nv.us.

Assemblyman Settlemeyer:

Has your panel contacted the sponsor to express your concerns?

Lon DeWeese:

We have had discussions with Mr. Adler as the point person for that particular matter, and we spoke to Assemblyman Grady before the meeting today.

Assemblyman Settelmeyer:

So you have not expressed your concerns prior to today?

Lon DeWeese:

Not to Mr. Grady directly, although we have expressed them through Mr. Adler.

Chair Kirkpatrick:

We are having a moment of disagreement over new technology and old school paper. Can we just have a hard copy of your information?

Are there any other questions or concerns? Is there anyone else in opposition to this bill?

Richard "Skip" Daly, Business Manager, Laborers' International Union of North America, Local 169, Reno, Nevada:

I am not an expert on the housing authority, though I have had some dealings with them through the mechanism of private activity bonds. We understand the county, city, and state all have authority to issue these bonds.

On the housing authority issue, if you do not have uniform standards, you have a problem. Say a development comes in and they are courting the City of Las Vegas, the City of North Las Vegas, and Clark County for site development, but they lose out to Nye County because Nye County offered them lower standards on what they had to put in to comply with energy efficiency, a quicker payout, a higher threshold of tax abatement, or more activity bonds at different interest rates. Those types of competitions amongst developers and municipalities would not be served by allowing the standards to be degraded jurisdiction by jurisdiction.

Chair Kirkpatrick:

Does anyone have any questions? Is there anyone else who would like to testify in opposition on this bill? Is there anyone who is neutral on this bill? [There were none.]

Assemblyman Grady:

Things have changed since 1986 when Mr. Horsey was first hired. I take exception to the Housing Division saying there is no expertise in either the NRHA or the cities and counties. I am sure if you had asked Swendseid and Stern, they would agree with me. Anyone in the State of Nevada whose cases they handle, which includes not only cities and counties but the state as well, would have the necessary expertise. There are other recognized experts in the bonding arena who also have the expertise, so the Housing Division does not have it all.

Ernest Adler:

I want to clarify things. This bill was not brought forward to lower standards. It is to maintain the same standards, but to allow developers to have the alternative to go through cities and counties for these bond issues and to receive the 4 percent tax credit, which would be very helpful. We do not dispute the Housing Division has excellent staff. We believe that the cities and counties should also be allowed to go forward with these types of projects. It offers competition and allows developers to get a little bit better product from a city than they would get from the state, and I think that is proper.

Chair Kirkpatrick:

I am going to close the hearing on A.B. 465. Assemblyman Settlemeyer will present Assembly Bill 466.

Assembly Bill 466: Revises provisions relating to franchise agreements in certain counties. (BDR 20-775)

Assemblyman Settlemeyer:

The genesis of this bill came about when several individuals from my community came forward with different issues. One individual wanted to create a business recycling Christmas trees. Then he started running into issues as to whether or not he would be in violation of the franchise agreement. Other individuals have said they want to clean up lawn clippings. One time a judge talked to me about a case where he found out that if he cleaned up his house, took out some drywall, and had someone else haul it away, that was not allowed because he would be violating the franchise agreement. Additionally, if the people who took the old materials away built a doghouse, that would not be allowed either because it would violate the franchise agreement.

That is what brought the bill forward. Some ideas have been expressed about what to do with materials in such situations. Perhaps those individuals could haul some materials to the prisons and use them as sorting facilities. There is a population cap within this bill. What it seeks to do is to allow counties that are below 400,000 in population, and do not have material-recovering facilities (MRF), to let other individuals start businesses that may want to come by, pick up your trash, sort through it, and recover any recyclable materials that may be in the trash.

Clark County is not included in this because they have a multimillion dollar MRF and do not need the same opportunity. We should reward those counties that are creating these facilities. I would accept an amendment to that effect, that if any county had a MRF, it would be left out.

This bill is not as perfect as I would like. Some people have mentioned that 25 percent of recycled materials is too high, and some say it is too low. The percentage can be adjusted.

We do not have anything in place right now. All we are doing is sending this material to landfills. In Douglas County's case, we are hauling it to Lockwood. I do not see that it is such a big deal if someone wants to do a little recycling. That is what the bill aims at.

Chair Kirkpatrick:

Does anyone have any questions? We will take the opposition first. Is there anyone in opposition to A.B. 466? Please come forward.

Dan Musgrove, representing Norcal Disposal, Las Vegas, Nevada:

Norcal is the company that provides solid waste disposal for Lincoln County. Lincoln County is very small with an approximate population of 4,000 residents. Norcal itself is a very large company. They have been in business since the 1920s.

Garbage men used to be called scavengers because they scavenged or recycled what they found in garbage cans. Some of the original companies that Norcal was involved with were called Oakland Scavenger, Sunset Scavenger, et cetera.

Norcal has been recycling since the turn of the century. They believe in recycling; it is important to their business and to the communities they serve. We appreciate Mr. Settelmeyer's idea; however, we feel the bill still needs work. It is problematic, especially for the smaller counties. For a company like Norcal to provide waste disposal to a small county like Lincoln County would mean a lot of investment and very little return.

The state itself needs to look at the issue of recycling more broadly than just this bill. There needs to be a bigger discussion with all the counties, all the companies that provide waste disposal, and the Nevada Division of Environmental Protection (NDEP). When you talk about the level of recycling, what recycling actually is, and how it is determined, the bill is silent. Even though the bill says 25 percent of the materials must be recycled, it needs to be much higher than that. It needs to be based at a minimum of 50 to 75 percent, and it needs to be based on tonnage.

On line 20 the bill says "of the material." That is very broad. It does not relate to the fact that there is a lot of air space that can be found in certain materials.

You are really not getting at what Mr. Settlemeyer had hoped to do, which would be to do some positive and proactive recycling.

When Norcal comes into a small community like Lincoln County, it is problematic when a bill like this changes the way their franchise agreement is with that small jurisdiction. It is a concern that the Legislature itself should have because, essentially, you are coming in and potentially breaking up a contract we have with that local government.

We need to work with Lincoln County to decide what Lincoln County wants to do in terms of recycling. Absent a complete state policy, it ought to be left up to those local communities working with the local government and with the franchisee. The issues that Mr. Settlemeyer talked about have been evident in Clark County, such as tree recycling and other programs. They worked with the world's leading recycling companies to make sure that it works properly and is equitable across the county.

This bill would allow for what we call in the industry "cherry picking." Recycling is a commodity. Today, it might be aluminum cans bringing in a lot of money; tomorrow, it might be newspaper. You could have multiple trucks in multiple neighborhoods on the same street with people going through other people's garbage.

This Legislature has prided itself on being the "green" Legislature. Talk about the carbon footprint that would be left by a lot of trucks driving down your streets with people going through your trash cans. This literally could happen, the way the bill is written. Granted, I am giving you a worst-case scenario, but without some controls, I really think it is problematic.

We are in opposition to the bill the way it is written. We would love to sit down with Mr. Settlemeyer to see if there is some way to work out an agreement where the franchisee, those other people who want to recycle, and the local government can figure out what is best for their communities.

Assemblyman Bobzien:

In the Lincoln County example, are those conversations happening? Can you give us a window into the discussions between the franchisee and the county commission as to goals for recycling and future plans? How much recycling happens in Lincoln County?

Dan Musgrove:

I am not able to answer your questions at this time. Unfortunately, our Norcal representatives were not able to make it to the hearing, but I will ask them. To

be candid, things are really tough in Lincoln County right now. They are having some issues with their payment of our solid waste responsibilities. We are being very charitable working with Lincoln County.

Assemblywoman Pierce:

Your business is not just about picking up the garbage in Lincoln County. Your business is really about bringing garbage from California to Lincoln County to be buried, correct?

Dan Musgrove:

Assemblywoman Pierce, that has been an issue in Lincoln County, but it has not happened and will not happen in the near future. That is something Lincoln County approached us about, as a joint venture, but right now it is not cost-effective for either entity, whether it is those entities in California that ship or those in Nevada to accept the shipment. But yes, the original intent was to use Lincoln County landfill for trash from outside of Nevada.

Assemblywoman Pierce:

I appreciate that and what you said regarding higher-level discussions, because all over rural Nevada, there are plans for us to be the garbage dump for California. People should know that.

Chris Barrett, representing Waste Management, Reno, Nevada:

I echo Mr. Musgrove's comments and concerns. Waste Management currently has franchise agreements in Washoe County, Reno, Sparks, and Lyon County and a different recycling program in Incline Village.

We have those same concerns. We believe there needs to be a more comprehensive recycling program for those communities. For example, in Incline Village, we have a special program that recycles pine needles. We work with local governments on their communities' needs.

If I may address Mr. Bobzien's question, we do have language in our franchise agreements to address those concerns. We are going to extend our contract with the City of Reno with the understanding that we are going to work with them on their recycling needs and to adjust the language in that contract. There are opportunities in those communities to do that.

Chair Kirkpatrick:

Does anyone have any questions? [There were none.] Is there anyone else in opposition to A.B. 466? [There were none.] Is there anyone who is neutral on A.B. 466? [There were none.] Is there anyone in favor of A.B. 466? Please come forward.

Kyle Davis, Policy Director, Nevada Conservation League, Las Vegas, Nevada:

Our organization is in support of this bill. We are definitely in support of the concept. I think this is a good first step, to try to create some kind of system so that we can get more recycling happening in more rural areas.

I do not disagree that we need a bigger-picture conversation about handling recycling in this state. I think there are a lot of benefits to recycling no one talks about. There is a lot more that goes into it than being able to avoid the waste in the landfills. I would not want anything to get in the way of taking a step forward right now, to increase recycling in this state.

Matt Rager, Owner, Empire Waste Systems, Mound House, Nevada:

I want to thank Assemblyman Settelmeyer for proposing this bill and the Committee for taking the time to listen. You have heard from Wall Street; now it is time to hear from Main Street.

We are not talking about garbage here. We are talking about recycling materials to avoid having them go into landfills. I am familiar with the program that was mentioned by Waste Management regarding pine needles. That is a good start, but it is so minimal in the scope of what we can really do. In reality, they want to get it to the landfill and bury it as fast as they can.

Recycling by persons, businesses, and third-party haulers needs to be allowed. All recyclable materials should be taken out of the waste stream. This includes C&D, which are construction and demolition materials, which have a 70 to 90 percent recycle rate by tonnage or yardage.

I was operating a C&D facility for the past four weeks under permission from Carson City. My permission was revoked yesterday, and I want to share with everyone that I was able to divert approximately 75 to 90 percent of the materials by tonnage. Depending on what the materials are, concrete and asphalt can weigh more and offset the scales. This is really important because, as Waste Management said, they have all the business here and virtually no competition, so there is no market. Individual customers, businesses, and everyone in between are forced to follow the franchise agreement. There are many better alternatives, such as those my company can offer. However, we have been shut out by the franchise agreements.

Recycling will save raw materials from going to a landfill and provide a second life or third life until it is composted down into nothing. Recycling creates jobs. If this bill is to pass, I estimate that I would be able to create between three and five jobs sorting all these materials we currently haul to be buried. Recycling will allow for a free, competitive marketplace, where customers can choose by

price, service, or other attributes. These materials are valuable commodities that should not be wasted as they are now.

The current system of franchise agreements does not allow for any cost-saving alternatives. In difficult times such as these, companies and customers should be able to reach out to cost-saving alternatives, in addition to doing better things for the environment. With the franchise agreements the way they are now, it does not happen.

Nevada needs to update the NRS to allow for recycling. Recycling is good for Nevada. It is also good for consumers and businesses.

Do not be bullied by Wall Street. Go with Main Street. We look to sustainable events for our planet. The proof is in the pudding, not the landfill.

Stan Raddon, President and General Manager, Carson City Renewable, Carson City, Nevada:

Our business is situated next to the landfill. Over the last five years, we have been taking wood-waste streams and converting those streams into wood chips and soil amendments. The wood chips have been going to the penitentiary to make electricity, hot water, and steam at a great savings over imported oil and gas. Their requirements are greater than we can supply right now. I was talking to prison officials a few days ago, and they said they could take as much as 60 tons a day. We receive about 25 tons a day. Five years ago, we were receiving about five tons a day. So, as the public becomes more aware of what we do, and they like the recycle aspect, they bring more materials to us.

This creates some real benefits to the community. When a piece of wood goes into the ground, it starts to decompose. It puts off methane gas, which is 25 times more harmful to humans than any other landfill gas. We are offsetting that and taking it out of the picture, which is good for the air. The second thing we are doing is to extend the life of the landfill. The third thing is providing these products that are good for the community. The soil amendment is especially good because it contains a lot of carbon, and the plants love it. It really boosts their health and growth.

From the last five years' experience, I know that when material comes in, we clean out about 60 percent of the wood. Everything else, because it is not separated out, goes to the landfill. It is a terrible waste, creating the gas and not providing renewable energy for our society.

I hope this bill is approved so others can bring in the wood waste that is available. I do not see a scenario where people are going up and down the

streets collecting garbage; I think that is ludicrous. Economics would stop that from happening.

I see people with ingenuity who can reuse the wood for another purpose instead of just throwing it in the trash. It is really a good thing for our community; we ought to be doing it.

Chair Kirkpatrick:

I have a field trip on my calendar of things to do while I am in Carson City, so I am hoping to go see your facility.

Is there anyone else who would like to testify on A.B. 466? Mr. Settlemeyer, did you have any final words?

Assemblyman Settlemeyer:

I understand some of the issues and concerns. Currently in Douglas County, I think we probably are recycling 2 to 3 percent of the total mass of waste products. Maybe 25 percent is too low, but if we are recycling only 2 percent, 25 percent is a pretty big jump. I will accept whatever numbers the Committee thinks would be agreeable. I just think it is time to start.

Chair Kirkpatrick:

I will close the hearing on A.B. 466 and open the hearing on Assembly Bill 478.

Assembly Bill 478: Revises provisions relating to certain housing authorities.
(BDR 25-1237)

Chris Giunchigliani, Commissioner, Clark County Board of Commissioners, Las Vegas, Nevada:

I have tried to reamend Assembly Bill 478 based on the bill that came out from the Committee introduction, rather than the one submitted by the technical committee, the one Mr. Lyon is here to address. The recommended amendments are based on things that I heard from tenants and employees. I have attempted to merge all of the information together into one document.

Assembly Bill 478 has been a long time coming. There have been discussions in Clark County for years about the consolidation or regionalization of our housing authorities. We are looking at not only becoming more efficient savings-wise but also making sure that we have authorities or agencies that really meet the needs of the clients. That is what got me interested in this bill.

I think there are several highlights that could be attained by the consolidation or regionalization of the housing authorities: You could centralize the waiting list

for housing programs, you could consolidate tenant listings, you could consolidate the databases, and you would have one set of policies and procedures. You could eliminate the competition for grants and other funding for resident programs, you could have more money and efficiency by evening out the workload, and you could increase the ability to accomplish faster unit turnarounds.

An overall smaller reporting burden imposed by the Department of Housing and Urban Development (HUD) would be minimized, again providing savings in staffing expenses. You could provide the ability to pool shrinking public housing and capital funds and then have an economy of scale come into play. We would have a wider diversity of housing and a wider range of professional expertise.

We would develop a joint public housing authority plan instead of each entity working separately. There would be a single administration of family self-sufficiency programs, a single administration of housing standards and inspections, and best practices of services—from human resources information technology, and fiscal management to upkeep and maintenance of the programs. We could realize some monetary savings through bulk purchasing. There would be a single source for legal representation. These are just a few factors that could result from organizing the agencies into one housing authority.

Currently, Henderson does not have a housing authority. They work under the auspices of the county. North Las Vegas has its own authority, and the City of Las Vegas has its own as well. Some things have occurred in North Las Vegas, so its authority is being managed by the City of Las Vegas at this point.

Mr. Lyon, from the county, whom I commend, has been working with all of the housing authorities. They did adopt resolutions to support a new structure of two members from the City of Las Vegas, two from Henderson, two from the county, and two from North Las Vegas, and then maintain one resident representative on the board. That is what the amendment reflects, because the earlier version did not quite come out that way. What we are attempting to say is that all residents in public housing deserve to live in dignity, in a clean and well-maintained property, and we should make it simple. We have three different ways to get onto a waiting list. You have to stay on call, in some cases for 24 hours; it is like a cattle call. Many of these folks are senior citizens or young families. We need to do it better, in best practice ways.

If you look at A.B. 478 with the amendments, it says, "In a county whose population is 400,000 or more, any two or more authorities may form a regional

authority." I use the word "may"; it could be "shall," but I did not want anyone to feel this was being forced on them. All the authorities, including our Southern Nevada Regional Planning Coalition (SNRPC), Clark County Commission, City Council of Las Vegas, City Council of Henderson, and the City Council of North Las Vegas have already adopted a resolution stating that they believe in the plan going forward and in the nine-member composition of the board. That is why I changed some of the language to reference the resolution that is already in place.

On page 2, subsection 3, it deals with the formation of the regional authority. If you look at line 26, Henderson has recommended that we insert the word "authority," so it would read "regional authority." In section 4, "Upon the effective date of this," insert "section" in front of the stricken word "adoption."

Henderson emailed me this morning because their attorneys had looked at some of the language and posed the question: "What if they did not want to participate in the board? What would be the makeup?" There are two ways the Committee could go. The board could be reduced to seven members, or you could say the county would appoint the additional two from Henderson, since that is who we represent now, but I think the feeling would be to go with the seven members. I am just throwing that out because that was a late question that had been posed to me.

Henderson does have some questions about what should go in section 3 versus section 13, but that is just clean-up language. On page 4, it says six of the commissioners first appointed will rotate and take terms one, two, and three, then go into the four-year period by draw of lot; that way you get back to your terms of service. Subsection 3 deals with the commissioner who serves on behalf of tenants. They currently have a resident commissioner on each public housing authority who would be maintained.

The way it works is that the tenant associations make their recommendations, and then the initial public authority appoints them. We may need to have a structure here that says those tenants from North Las Vegas and the City of Las Vegas and the county would make their recommendations, and maybe a residents' council would make the recommendation to the public body for the appointment. That has not been fleshed out yet, and I apologize, because that was another question that just came up today. The intent was not to change how we do business today, but, with three areas coming together now, a decision must be made as to how that one person is selected.

I picked up section 5 from current law to make sure the term "housing authority" is included as a regional authority. Turn the page and go to

section 8. In subsection 3, Henderson believes that this is duplicative and that paragraphs (c) and (d) should be back in section 3. Again, that is a drafting issue, and they may be correct. Maybe it is redundant.

On the last page, in section 11, subsection 6, it says the regional authority may not request a reservation of land from the Bureau of Land Management (BLM) without going through the local jurisdictions. We did not want the authority to be out there doing something that the local government folks did not know about in applying for land.

Subsection 7 of section 11 of the amendment adds a new subsection to NRS 315.380 which says the housing commissioners will select an Executive Director through a competitive process. Because this has been a collegial effort, we did not want anyone to assume they have the job as Executive Director. It should be an open, publically held process. Anyone currently serving is more than welcome to apply. We do not want any one person or group to be seen as overseer. That is why I added that language to the bill, to make it very clear. That was a promise I made to the tenants and to the employees, that there would be a competitive process for selection of a representative.

Henderson has suggested that subsection 2 of section 13 probably should be deleted because it is already in section 3. That may have been a drafting error. The act becomes effective July 1, 2009, but for the purposes of selecting an Executive Director, they would have until January 2010, because you need to get the whole new board in place and then they would begin the process of the selection.

[Chair Kirkpatrick left the room. Vice Chair Bobzien took over.]

Vice Chair Bobzien:

Thank you, Commissioner. Do we have any questions?

Assemblywoman Mastroluca:

Would the Executive Director be a paid position? And if so, would that not put a fiscal note on this bill?

Chris Giunchigliani:

The Executive Director is a paid position. The housing authorities already have their funding. Each one has an executive director right now, so they would realize some savings by going to one Executive Director instead of three. There would also be a savings going to one human resources department instead of three. More savings could be found by having one maintenance department

instead of three. So there is no fiscal note or cost to any other local government.

Assemblyman Munford:

How did you say the Executive Director would be selected? Would the resident council have any input on selecting the Executive Director?

Chris Giunchigliani:

Because a resident will be on the authority board, that board will be the one that selects the Executive Director. The resident council, through their representative, will be on the board to make that selection. It will be an open competitive bid. They will send out announcements saying they are seeking an Executive Director for a regionalized public housing authority in southern Nevada, accept applications, and conduct interviews, the same process they currently use for executive selections.

Vice Chair Bobzien:

Are there any other questions? Thank you. We will go back to Carson City. Mr. Olivas, would you like to lead off?

Ted Olivas, Director, Government and Community Affairs, City of Las Vegas, Nevada:

I am joined today by Doug Lyon, who is responsible for facilitating the discussion with the local governments that are involved in this process and ultimately affected by this bill. We thought it might be appropriate for you to understand those deliberations that took place and the process they went through to get to where we are today.

We are, of course, in support of this bill as amended. I want to thank Ms. Giunchigliani for going through all of the bill's detail for us. I apologize that the Committee did not get this amendment until this morning.

We are also joined by Steve Harsin, who is our Director of Neighborhood Services down south, if you have any questions. We just want to say we support this bill. I will now turn this over to Mr. Lyon.

Douglas R. Lyon, Organization Effectiveness Administrator, Office of the County Manager, Clark County, Las Vegas, Nevada, representing Southern Nevada Regional Planning Coalition:

I will keep my comments brief [Mr. Lyons referred to prepared text ([Exhibit Y](#)).] I think the Commissioner did a great job in denoting a lot of the issues that I was going to talk about.

In 2005, this proposal was initiated and did not get very far in terms of a regionalization discussion. I think we reached some synergy in 2008 because, as everyone knows, the federal funding from HUD to the housing authorities has decreased and is still decreasing daily. Our population needing housing is increasing daily as well.

We brought a lot of people together—all the housing authorities, the jurisdictions, the Service Employees International Union, the residents, and the people who utilize the system—to come up with a collaborative approach to address this issue.

The key to this legislation is that, right now, under NRS Chapter 315, the housing authorities are not permitted to regionalize. This bill would allow that to happen. Right now, they can do memorandums of understanding (MOUs) with each other, they can do interlocal agreements, they can do collaboration and partnerships in a number of areas, but statute does not allow them to regionalize on political and financial levels to become one entity.

On behalf of the Southern Nevada Regional Planning Coalition (SNRPC), they want to support the governance model and develop a plan. Our community is looking for ways to improve how we deal with housing and how we get people into housing, because it is becoming a real dilemma in our community.

[Chair Kirkpatrick returned.]

Assemblyman Munford:

I read something recently in the local paper in Las Vegas about a goal of the current executive director. Is that Mr. Rowe?

Doug Lyon:

Each housing authority has an executive director.

Assemblyman Munford:

I am talking about my district, which is District 6.

Doug Lyon:

That would be Carl Rowe.

Assemblyman Munford:

He has stated in the media that his goal was to eliminate all housing in our district. Are you privy to that?

Doug Lyon:

I cannot speak to that.

Chair Kirkpatrick:

Mr. Munford, we can ask Mr. Rowe to submit that statement in writing to us. You know how the press works; this could have been taken out of context.

Doug Lyon:

Mr. Rowe was a party to this process. He is one of the three executive directors who have been working together to accomplish this bill. The executive directors of all three housing authorities have been a part of this process. Right now, there is no statute that allows the local jurisdictions to regionalize on their own. That would have to come from the vote of the current housing authorities. They are working with us every step of the way. Staff in all jurisdictions is doing a great job to ensure we do the right thing in the community.

Assemblyman Stewart:

As each housing authority has its own set of rules and regulations, would they be able to consolidate those effectively, or do we have different standards? Is this going to save money overall with a reduction in staff? How many directors and assistant directors will there be?

Doug Lyon:

The Commissioner spoke to a lot of those issues. We are trying to streamline the process. When we took on this venture between all the jurisdictions and the housing authorities, we wanted to make sure that it was the best thing for the community and the residents and to be respectful to the employees.

In doing part of that, it would mean that we would look at streamlining processes, so there would be one administrative office, one human resource office, and one purchasing department to maximize efficient use of the facilities. If there is a regionalization, we would be about seventh in size in the country as far as housing goes. That would put us in a very influential position. The Department of Housing and Urban Development is willing to give us a lot of technical expertise if we make this transition.

Chair Kirkpatrick:

I worked with the Commissioner for some time on this bill, and I think we need to think strategically about where we are going to put the authority. I live in North Las Vegas, and for many years, they had more than their share of housing issues. It is important that the Executive Director be selected by competitive bid, because I do not think anyone should just walk into this position thinking

they have something coming. We need to encourage them as leaders and do what is best for Clark County. Henderson has not had the ability to be part of it, but now they will, and that is helpful for everyone.

Kenny Young, Senior Assistant to the City Manager, Office of Housing and Neighborhood Services, City of North Las Vegas, Nevada:

I am here to testify on behalf of A.B. 478. We would like to thank all the regional entities that have come together. We are in support of the amendments that have been made to the bill.

One matter of concern is if the City of Henderson does choose to go toward a process of not appointing a member, we would have issues with those appointments going directly to the county. I think this matter needs to be discussed further.

Chair Kirkpatrick:

Does anyone have any questions? [There were none.] Is there anyone else who would like to testify in support of A.B. 478?

Rhonda Jackson-Pullens, Steward, Service Employees International Union, Las Vegas, representing the Las Vegas Housing Authority:

I am here today to speak in support of A.B. 478 with the amendments provided by Chris Giunchigliani. [Ms. Jackson-Pullens referred to prepared text ([Exhibit Z](#)).]

At the housing authority, our goal is to provide the citizens of Nevada with the most effective and efficient service possible. We believe that the regionalization will allow us to do this. We look forward to working with the Committee and all the municipalities as this process moves forward.

Chris Giunchigliani:

I would state that, if an entity chooses not to appoint representatives, then the language would be changed to reduce the number of members from nine to seven. I do not want anyone feeling that they are not in balance in that collegial manner we have been discussing. Again, that just came up today. Maybe the language could anticipate something like that happening.

I appreciate the questions and concerns that have been brought forward. I think this is an exciting time. I personally believe in consolidation of many different areas. I tried to do it back in 1993 through the legislative process, but I did not get there. If we can do this one right, it shows that in southern Nevada there may be other areas where we can be more efficient and more responsive to our citizens.

Chair Kirkpatrick:

Is there anyone else in Carson City who wants to testify in support? [There was no one.] Is there anyone who would like to testify in opposition? [There was no one.] Is there anyone in Las Vegas who would like to testify in opposition? [There was no one.] Is there anyone in Carson City who would like to testify in the neutral position? [There was no one.] Is there anyone in Las Vegas who is neutral? [There was no one.]

Assemblyman Munford:

I have quite a few of these housing authority complexes in my district. I get feedback from tenants all the time. I have not heard anything from them as to how they feel about this measure. I do not know if they are for or against it. Sometimes the residents might feel their voices are cut off or that they may no longer have the direct contact they had when the authorities were smaller. I am sure I will get some comments.

Chair Kirkpatrick:

We hope you will bring those comments back to us. I feel confident because Chris Giunchigliani takes more constituents' phone calls than anyone I have ever known, and she returns them all. I guess we could ask you, Chris, did you get any public comments?

Chris Giunchigliani:

That is an excellent point. I went to the Planning Commission meeting for Clark County, and several residents were there. I met with them individually. We have had at least six resident meetings on their properties. Commissioner Weekly may help me participate in this, but I am going to hold an evening meeting for residents so those who work can access public government. I have sat in on employee meetings, so I was hearing from them as well.

We are doing this for the residents, and their voices are welcome. Assemblyman Munford, if your constituents have questions, you can give them my cell phone number; it is 521-1663. I am happy to talk to anyone about their concerns.

Chair Kirkpatrick:

Thank you. Mr. Munford, does that work for you? [He nodded yes.]

We will close the hearing on A.B 478. I would just say to Henderson, please let us know sooner rather than later what your decision is going to be so we can adjust the makeup of the board membership. Is there any public comment? [There was none.] Is there anything from the Committee? [There was no comment.]

[Meeting adjourned at 11:13 a.m.]

RESPECTFULLY SUBMITTED:

Denise Sins
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: March 26, 2009

Time of Meeting: 8:01 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 443	C	Assemblywoman Leslie	Background Information for Assembly Bill 443
A.B. 443	D	Ron Dreher, Private Citizen	Position Paper on <u>A.B. 443</u> .
A.B. 443	E	Ileri Rivas	Remarks in Support of <u>A.B. 443</u> .
A.B. 40	F	Susan Scholley, Committee Policy Analyst	Work Session Document
A.B. 40	G	Susan Scholley	Work Session Document, proposed amendment
A.B. 48	H	Susan Scholley	Work Session Document
A.B. 48	I	Susan Scholley	Work Session Document, proposed amendment
A.B. 97	J	Susan Scholley	Work Session Document
A.B. 97	K	Susan Scholley	Work Session Document, proposed amendment
A.B. 139	L	Susan Scholley	Work Session Document
A.B. 147	M	Susan Scholley	Work Session Document
A.B. 147	N	Susan Scholley	Work Session Document, proposed amendment
A.B. 226	O	Susan Scholley	Work Session Document
A.B. 226	P	Susan Scholley	Work Session Document, proposed amendment

A.B. 236	Q	Susan Scholley	Work Session Document
A.B. 236	R	Susan Scholley	Work Session Document, proposed amendment
A.B. 305	S	Susan Scholley	Work Session Document
A.B. 305	T	Susan Scholley	Work Session Document, proposed amendment
A.B. 306	U	Susan Scholley	Work Session Document
A.B. 465	V	Assemblyman Tom Grady	Testimony on <u>A.B. 465</u>
A.B. 465	W	Ernest E. Adler	Testimony on <u>A.B. 465</u>
A.B. 465	X	Ernest Adler	Nevada Rural Housing Authority fact sheet
A.B. 478	Y	Doug Lyon	Proposed amendment to <u>A.B. 478</u>
A.B. 478	Z	Rhonda Jackson-Pullens	Testimony on <u>A.B. 478</u>