

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

**Seventy-fifth Session
April 1, 2009**

The Senate Committee on Government Affairs was called to order by Chair John J. Lee at 2:08 p.m. on Wednesday, April 1, 2009, in Room 2144 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator John J. Lee, Chair
Senator Terry Care, Vice Chair
Senator Steven A. Horsford
Senator Shirley A. Breeden
Senator William J. Raggio
Senator Randolph Townsend
Senator Mike McGinness

GUEST LEGISLATORS PRESENT:

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

STAFF MEMBERS PRESENT:

Heidi Chlarson, Committee Counsel
Michael Stewart, Committee Policy Analyst
Olivia Lodato, Committee Secretary

OTHERS PRESENT:

Richard "Skip" Daly, Business Manager, Laborers' International Union of North America, Local Union 169
Gary Milliken, Associated General Contractors of America, Inc., Las Vegas Chapter
Larry Mosley, Director, Department of Employment, Training and Rehabilitation

Ardell Galbreth, Deputy Director, Department of Employment, Training and Rehabilitation

John Ball, Executive Director, Southern Nevada Workforce Investment Board

Erin McMullen, Las Vegas Chamber of Commerce

Lindsay Anderson, Nevada Commission on Economic Development

Renny Ashleman, City of Henderson

Robert F. Joiner, Government Affairs Manager, City of Sparks

Michael D. Hillerby, Wingfield Nevada Group, Coyote Springs Investment, LLC

Chair Lee opened the meeting with the introduction of Senate Bill (S.B.) 222. He said Senator Hardy was discussing the bill.

SENATE BILL 222: Makes various changes to provisions relating to state financial administration. (BDR 31-902)

Senator Warren B. Hardy II, Clark County Senatorial District No. 12, said the ideas in S.B. 222 were first introduced in the Seventy-third Session in a bill to expand the use of lease-purchase concept to the university system. He said there were concerns whether the lease-purchase process had kept up with design-build and other procurement processes. An interim study to look at lease-purchase and its applicability to State purchasing was formed. He said the interim study committee formulated three pieces of legislation. One of the bills, S.B. No. 509 of the 74th Session, was not passed during the Session. He said an important part of the process was not adopted into law. Senator Hardy requested the bill be returned in the exact form the Senate adopted it in the Seventy-fourth Session.

Senator Hardy said there should be bidding to make the process open to as many members of the public as possible. He identified various types of lease-purchase scenarios. He said S.B. 222 required advertising when a governmental entity wanted to use lease-purchasing to purchase an existing building. He said the construction of the Casa Grande Transitional Housing Center drove the need for the bill. The project had not been constructed or the land purchased prior to the proposal for the facility to the government. He said it was important other entities had an opportunity to duplicate the offer and create a bidding process. Senator Hardy said the advertising requirements were modeled after existing advertising requirements under Nevada Revised Statute (NRS) 338, except the prime contractor was prequalified. He said it did not apply in a lease-purchase situation. They also allowed the advertising in

S.B. 222 to be as specific as necessary. He said if there was a compelling need to have a structure in a certain area, specific advertising was allowed. He said the bill also required the design-build process be structured to protect the public.

Senator Hardy mentioned A.B. No. 312 of the 73rd Session that required governments receive a certain number of appraisals before selling or purchasing land. The Legislative Council Bureau said they were required to fulfill that requirement, but they already owned the land. They questioned spending the time, money and resources required for appraisals as required by A.B. No. 312 of the 73rd Session. He said S.B. 222 clarified governments were exempt from appraisal and the public-bidding process for leases of government land where the government owned the land and wanted to construct improvements on that land.

Senator Hardy said under current law, a governing body was required to meet on the date the interest rate was fixed in order to approve the interest rate for a lease-purchase project. It was not always convenient for the public body to meet when the best rate became available. He said S.B. 222 allowed the State Board of Finance or the local entity to delegate to the State Treasurer the right to approve certain financial conditions of the lease-purchase agreement. It was intended to take advantage of the best rate. Senator Hardy reiterated the bill was an exact duplication of the earlier bill presented in 2007.

Chair Lee asked about trading land or buildings. He asked if that was part of the lease-purchase agreements.

Senator Hardy said he was unaware of such a scenario, and it was not presented to his committee. He said if it occurred as a lease-purchase arrangement, advertising and notification to the public needed to occur.

Richard "Skip" Daly, Business Manager, Laborers' International Union of North America, Local Union 169, said he served on the interim committee with Senator Hardy. He said his organization supported the bill as previously written and reintroduced this Session.

Gary Milliken, Associated General Contractors of America, Inc., Las Vegas Chapter, testified in favor of the bill during the last Session. He said it was important to complete the proposed three legs of the earlier bills. He said lease-purchase proposals were increasing and the more regulated it was, the easier it

was for participation by the public. The members of the Associated General Contractors of America, Inc., Las Vegas Chapter, supported the bill.

Chair Lee closed the hearing on S.B. 222. He opened the work session.

Michael Stewart, Committee Policy Analyst, opened the discussion on S.B. 11.

SENATE BILL 11: Prohibits the county commissioners of certain larger counties from holding certain other employment. (BDR 20-80)

Mr. Stewart said S.B. 11 required members of the Clark County Board of Commissioners to devote their entire time to the business of the office ([Exhibit C](#)). He said the measure prohibited the commissioners from pursuing other businesses or occupations except for temporary and part-time teaching duties on a university campus. There were three proposed amendments. One amendment said the prohibition did not apply to a county commissioner during his current term of office. The second amendment removed the current exemption in the bill allowing a commissioner to teach on a university campus. The third proposed amendment authorized a board of county commissioners to set their own salaries once the prohibition on holding other employment took effect. He said the amendments were discussed with Senator Care and Clark County Commissioner Chris Giunchigliani.

Senator Care said Mr. Stewart gave an accurate recount of the bill. He said he did not know how the second amendment was placed in the bill. He said it did not belong in the bill. As for the amendment, he said the Clark County Commissioners set their own salaries, and there was a cap in statute stating how much the salary could increase. He said the cap had to be removed and perhaps there should be no cap at all. He said local entities were careful when increasing salaries.

Senator Raggio said the bill precluded an entire sector of people from serving on a board of county commissioners. He said whatever the salary, many people would not run for the office. He said lawyers, doctors and people with a business would not be able to work any other business or occupation. It was a disservice to the county to limit the people who could serve on the board. He said the salaries would have to be high to have people with diverse opinions or outlooks run for positions on the board.

Senator Care said his testimony stated the demands of the job were so big it required the commissioner be a full-time position. He said all the State offices with the exception of the Lieutenant Governor required full-time attention. He said the rationale for lifting the cap on salaries was that a full-time job required a substantial salary increase.

Senator Raggio said he understood, but the salaries and benefits of members of Congress made up for not holding another job. He said that kind of money could not be offered to county commissioners or city council members.

Senator Care said the Las Vegas City Council now took the approach the Mayor's position was a full-time position.

Chair Lee said several county commissioners contacted him. He said they were concerned about the bill but said the job was becoming so demanding it may have to become a full-time job. He said they were speaking for future commissioners.

Senator Townsend said the Legislature traditionally set the salaries for elected officials. He asked, assuming the bill was processed, would the Legislature set the initial salary and the full-time commission could advance from that point?

Senator Care said counties were creatures of statute, and there was discussion of county salaries in the State Constitution. He said that was the reason the Legislature was required to set the salaries for elected county positions. He said it did not apply to county commissioners for the last six years. He said the county commissioners set the salary.

Senator Raggio said it was an important issue and a huge departure, and it created a great disincentive to having the best people serving on a governing body in the largest county in the State. He was concerned about the business community. He said the salary would have to be six figures or more to interest people. He said an alternative could be forming boards to take some of the responsibility off the commissioners. He mentioned an airport authority, hospital trustees and other ex officio boards and commissions that would relieve the commissioners.

Chair Lee asked for a motion on S.B. 11.

SENATOR CARE MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 11.

SENATOR BREEDEN SECONDED THE MOTION.

Senator Townsend asked about the full-time commission setting their initial salaries. He said it was more appropriate for the Legislature to set the salary. He was concerned about increasing the salary without the establishment of a base salary.

Senator Care said he was not ready to discuss that subject today. He said there was no testimony on the subject or against the bill during the hearing of the bill. He said the discussion might come up on the Assembly side.

THE MOTION CARRIED. (SENATORS HORSFORD, RAGGIO AND
TOWNSEND VOTED NO.)

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Mr. Stewart said the next bill in the work session was S.B. 224.

SENATE BILL 224: Revises provisions concerning voting by members of certain public bodies. (BDR 19-675)

Mr. Stewart said the bill revised provisions in chapter 241 of the *Nevada Revised Statutes* specifying in a county with a population of 40,000 or more that a quorum of a public body composed entirely of elected officials may only be reduced as a result of an abstention if the member of the body disclosed legal counsel required the abstention ([Exhibit D](#)). He said the provisions were removed and therefore public bodies in larger counties may not take action by a vote unless a majority of all members voted in favor of the action, [Exhibit D](#). Mr. Stewart said subsection 5 of NRS 281A.420 was referenced in the bill.

Senator Care said with the exception of counties of fewer than 40,000 people, an abstention counted as a no vote. He said elected officials were supposed to vote absent extraordinary circumstances. He said the bill was intended for the voters.

Chair Lee said he was contacted by the Nevada League of Cities and Municipalities concerning the 40,000 threshold. They were concerned and said abstentions seldom occurred.

Senator Raggio was troubled when people had absolute conflicts. He said under the ethics scrutiny existing today, everyone was advised to be overly cautious when declaring conflicts. He said an important issue could be stymied due to the fact a number of people had conflicts, could not vote and had to abstain. He asked if there were alternatives to those processes.

Chair Lee asked for a motion on S.B. 224.

SENATOR CARE MOVED TO DO PASS S.B. 224.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS MCGINNESS AND RAGGIO VOTED NO.)

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Chair Lee opened the discussion on S.B. 267.

[SENATE BILL 267](#): Makes various changes concerning the procedures for adopting administrative regulations and the requirements of the Open Meeting Law. (BDR 18-62)

Mr. Stewart said S.B. 267 provided a State agency's 30-day notice of intent to act upon a proposed regulation be made after the agency received the approved or revised text of the proposed regulation from the Legislative Counsel Bureau. The proposed regulation was subject to Nevada's Open Meeting Law ([Exhibit E](#)). Mr. Stewart said one amendment was proposed by the University of Nevada, Las Vegas, Alumni Association. The amendment clarified the definition of "university foundation" as set forth in chapter 396 of the *Nevada Revised Statutes*. The change provided a private, nonprofit organization whose mission included support of a State university or community college, such as an alumni association, did not fall within the parameters of a university foundation. The amendment exempted alumni associations from the requirements of Nevada's Open Meeting Law.

Senator Townsend offered background on one component of S.B. 267. The Legislative Commission had full responsibility to accept or reject regulations. He said the overwhelming amount of time the Legislative Commission spent was on regulations. He said there was confusion by members of the public of the process. He said it was backwards of a normal voting process.

Chair Lee asked if there was any further discussion on S.B. 267. He asked for a motion on the bill.

SENATOR TOWNSEND MOVED TO AMEND AND DO PASS AS AMENDED S.B. 267.

SENATOR HORSFORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Lee opened the discussion on S.B. 239.

[SENATE BILL 239](#): Provides for greater coordination of Nevada's economic development and workforce development goals. (BDR 18-1080)

Senator Horsford said he sponsored a bill in the 2007 Session similar to S.B. 239. He said many changes had occurred since that time. The unemployment rate was above 10 percent. He said many opportunities were offered in the form of the stimulus package. He said by matching needs and opportunities and aligning the incentive programs in the State, S.B. 239 would enable Nevada to meet current unemployment challenges and take advantage of the workforce development opportunities contained in the stimulus package. He said the goal was developing a diversified economy, growing the workforce and providing careers that lead to sustainable communities throughout Nevada. He said the Governor's Workforce Investment Board, through the Department of Employment, Training and Rehabilitation (DETR), would identify the State and industry needs and take responsibility for acquiring and distributing federal funds for training programs that meet those needs. The process assured the State collected the maximum amount from the stimulus package and maximized the impact of that money. He said the model of industry sector councils was implemented in other states ([Exhibit F](#), original is on file in the Research Library).

He said industry councils consisted of employer groups, labor organizations, public and private post-secondary institutions, and trade associations that shared common occupational employment and training needs.

He referenced [Exhibit F](#), which he provided the Senate Finance Committee last Session when the bill was first heard. He said it was a study done by the National Network of Sector Partners in cooperation with the National Governor's Association Center for Best Practices. He said job seekers in sector-based programs had higher earnings and reduced turnover, and many rose above the poverty line.

He said this Session there were discussions concerning economic incentives and abatements. He said long-term strategies needed to be developed. He said school systems were unable to meet the demands of the private sector. He said the final benefit was better identification of worker skill gaps and industry workforce needs. He said private foundations often supplied matching funds to support the ideas he was proposing in [S.B. 239](#). The bill benefitted the workers and their employers and employees of the State. He said one reason the bill did not pass last Session was because of a lack of funding. He said the problem continued to exist. A new opportunity was funding provided in the stimulus package for this type of allocation of dollars, and DETR would receive a total of \$25.3 million in Workforce Investment Act formula grants. He said without a State plan to align many of the incentives with training and workforce incentives, the State was losing opportunities to diversify the economy.

Senator Raggio asked about the availability of the stimulus package. He asked what size councils Senator Horsford envisioned. He asked how active or inactive the existing Workforce Investment Board had been. He asked how it would operate in conjunction with the councils.

Senator Horsford said the Governor's Workforce Investment Board had not been as effective an entity as it could have been. He said the Board was not empowered to be the center of the State's workforce and economic development strategy. He said the efforts were scattered among multiple entities. The private sector wanted government to work for them, the councils and the committees to meet their needs, not to meet some federal or State mandate. He added under section 1, subsection 2 of [S.B. 239](#), the industry sector councils must be composed of representatives from employers and organized labor within the industry, and universities and community colleges. He

said that was not his intention, and language needed to be added to include other stakeholders.

Senator Raggio said each council established would pertain to a particular industry sector. He asked how Senator Horsford envisioned that would apply Statewide.

Senator Horsford said it depended on the region of the State and the needs of the industry and/or economic development in a particular region. He said they would form regional industry councils based on the needs of the area.

Senator Raggio asked how he envisioned staffing the various sector councils. He asked if they were staffed through the funding of the proposed economic package.

Senator Horsford said DETR staffed the Governor's Workforce Investment Board, and they would staff the industry councils. The funding would come from the grants available through the stimulus.

Senator Raggio asked how the money would be utilized in addition to staff costs. Did Senator Horsford envision grants of some kind through the councils and the Board's actions?

Senator Horsford said there were federal grants through the U.S. Department of Labor and the U.S. Department of Commerce for economic development efforts. He said private sources and foundations also supported these kinds of strategies.

Chair Lee asked if there was a fiscal note associated with the bill.

Senator Horsford said section 1, subsection 2, paragraph (b), outlined the parameters set forth in the stimulus package which stated funding as available would support the work. He added DETR could keep a portion of the stimulus dollars for administration of the programs for which they received grant money.

Larry Mosley, Director, Department of Employment, Training and Rehabilitation, said the State, through the Governor's Workforce Investment Board, received an allocation of 15 percent of the stimulus funds. He said 5 percent of the funds

were for administration, and the other 85 percent was formula-driven through Nevadaworks and the Southern Workforce Board.

Ardell Galbreth, Deputy Director, Department of Employment, Training and Rehabilitation, said S.B. 239 provided the Governor's Workforce Investment Board the ability to identify and create demand-driven sector councils. He said S.B. 239 aided the State and utilized many skills using employment training resources provided through public and private partnerships. He said it also centralized training dollars and created new pathways for low-income workers into industry sectors. He said the partnership requirement assisted the State and the Governor's Board in acquiring additional funding for the workforce competitive grants.

Mr. Mosley said for the past year, DETR had worked at developing strategic strategies around the sector initiatives. He said they formulated a partnership with both of the Workforce Boards, the Governor's Board, the colleges and trade.

John Ball, Executive Director, Southern Nevada Workforce Investment Board, said a discussion of sector strategies in State policy form was considered best practice in workforce development. He said it was a concept and organizing principal for their work. Mr. Ball said section 1, subsection 2, paragraph (b) referred to parameters set forth in the American Recovery and Reinvestment Act of 2009. The parameters of any other program for which federal funding was available probably included the Workforce Investment Act. He said it needed to be made clear it was a collaborative, and not a directive, relationship with the State sector councils. He said they embarked on the same work on a local level. He said on the program side under section 1, subsection 3, paragraph (c), lines 33 and 34 established job training programs in industry sectors, and his organization worked on that at the local level. He wanted to submit language clarifying that collaboration would be continued. He reaffirmed his interest in having sector strategies discussed at the State policy level.

Chair Lee asked if there was further discussion or comment on S.B. 239.

Erin McMullen, Las Vegas Chamber of Commerce, said the Chamber of Commerce fully supported S.B. 239.

Chair Lee asked Mr. Ball to e-mail his proposed amendment as soon as possible. He asked if there was further testimony on S.B. 239.

Lindsay Anderson, Nevada Commission on Economic Development, testified in support of S.B. 239. She said the Commission looked forward to working with the regional development authorities and assisting in developing the regional goals for economic development and workforce coordination.

Chair Lee closed the hearing on S.B. 239. He opened the hearing on S.B. 248.

SENATE BILL 248: Extends the validity of certain building permits and development agreements beyond the original expiration date under certain circumstances. (BDR 22-981)

Senator Townsend, Washoe County Senatorial District No. 4, said the bill was brought forward with an amendment to meet the intent of the bill. He said the goal was to identify areas in local jurisdictions that had value relative to geothermal energy. The bill encouraged local government to work with developers to keep the land on the tax rolls. He said given the demand for solar, wind, geothermal and biomass, there could be an opportunity for a private developer to come to a landowner and place something on a permanent basis for a number of years. He said the bill allowed local government to work with the developer to extend the permits for residential or commercial development for up to 15 years. He said it allowed the local government to work with the developer so they do not have to go through the permitting process again when it was time to build. He said if the developer made any changes to the project, they had to go through the normal permitting process.

Renny Ashleman, City of Henderson, said the changes in the bill were in section 4, line 21 and section 6, subsection 2, line 39 (Exhibit G). He said the City of Henderson was appreciative of the bill.

Chair Lee said the extent of the amendment, Exhibit G, was the changing in wording from shall to may.

Robert F. Joiner, Government Affairs Manager, City of Sparks, had concerns with the bill until the amendment was proposed. He said the changes left the City of Sparks neutral on the bill.

Michael D. Hillerby, Wingfield Nevada Group, Coyote Springs Investment, LLC, supported the bill and the amendment. He said it was an important tool for developers. He said his organization had signed an option agreement for a substantial solar generation project on property at Coyote Springs. He said it was useful in advancing the green energy efforts in the State.

Chair Lee asked Mr. Joiner a question about wording in the bill which said no condition may be placed on the permit that was not imposed on the original permit. He said it was a 15-year extension. He asked Mr. Joiner if that was good policy for the cities and communities.

Mr. Joiner said it could be problematic if codes changed or safety issues changed. He wondered how requirements were met if codes changed. He said the amendment made the bill permissive rather than mandatory.

Chair Lee asked Mr. Joiner if the amendment gave him the security he needed.

Mr. Ashleman said the original bill had language allowing changes to ordinances, resolutions or regulations that enforced environmental standards. He said there was some flexibility regarding the environmental standards. He said the other standards typically applied throughout the permit. He added with the permissive nature of the language, the developer could be asked to waive anything that was causing trouble or the permit would not be granted.

Senator Care asked about section 4, subsection 2, paragraph (b) of S.B. 248. He referred to the sentence that referred to subsection 3 in the bill. Subsection 3 stated a building official established the maximum duration for which the permit remained valid. He was concerned about the phrase "maximum duration" and being at the discretion of the building official.

Mr. Ashleman replied the overall limitation on the amount of time extended was 15 years. He said the period of time would be discussed in the development agreement. He offered an example of a lease for green energy for ten years, and the permit would extend for two more years, so the property could be developed as per the original purpose.

Senator Horsford asked how the 15-year period was decided.

Mr. Ashleman said ordinarily a long enough time was required for a payback on the installation. He said a solar installation typically ran for 7 to 15 years for the payback on the investment.

Senator Horsford asked if the definition under section 3 of S.B. 248 was current law.

Mr. Ashleman said it distinctly looked like versions in similar statutes. He said he did not know if it was absolutely accurate.

Senator Townsend said the wording came out of the original definition.

Senator Raggio asked about the permissive part of the bill. He thought he heard Mr. Ashleman say the restriction on any new condition being placed on the permit was mitigated by language allowing for changes in ordinances. He asked what the intent of the language was.

Mr. Ashleman said the language in section 4 of S.B. 248 discussed the time when the extension was applied. He said changes were addressed in that section. He said section 4, subsection 5 discussed other conditions related to the use of the land.

Senator Raggio asked what it meant when it referred to those in effect at the time the building permit was issued. He asked if it meant the original issuance date or a different date.

Mr. Ashleman said the section referred to the conditions in the development agreement at the time of the agreement. He said an exception allowed for the green energy installations.

Senator Raggio said he wanted to make sure local governments understood the restrictions if the extension was granted.

Chair Lee asked about a special use permit on a piece of property. He asked if the permit transferred with sale of the property or did it need a new permit review.

Mr. Ashleman replied the permit went with the property. He said an example would be 500 homes that could be developed on the property which could not

be changed. He said it did not apply to zoning regulations or environmental controls.

Senator Raggio asked if zoning changed, would the new change be applicable to the extension of the permit.

Mr. Ashleman replied no, zoning would not be changed under the bill. He said general law changes affecting all property would apply.

Chair Lee asked about rebates to property owners who thought they would build and now could not afford to build. He asked if money could be returned after the permit was granted.

Mr. Ashleman said permit fees were not large sums of money; they were intended to defray the costs of processing the permit. He said there was not a sum of money held in trust that could be refunded.

Chair Lee asked if there were any further questions. He closed the hearing on the bill and adjourned the meeting at 3:32 p.m.

RESPECTFULLY SUBMITTED:

Olivia Lodato,
Committee Secretary

APPROVED BY:

Senator John J. Lee, Chair

Date: _____