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

# Seventy-Sixth Session April 12, 2011

The Committee called on Government Affairs was to order Chair Marilyn K. Kirkpatrick at 10:33 a.m. on Tuesday, April 12, 2011, in Room 4100 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/76th2011/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
Assemblywoman Irene Bustamante Adams, Vice Chair
Assemblyman Elliot T. Anderson
Assemblywoman Teresa Benitez-Thompson
Assemblyman John Ellison
Assemblywoman Lucy Flores
Assemblyman Ed A. Goedhart
Assemblyman Pete Livermore
Assemblyman Harvey J. Munford
Assemblywoman Dina Neal
Assemblywoman Peggy Pierce
Assemblyman Lynn D. Stewart
Assemblywoman Melissa Woodbury

#### **COMMITTEE MEMBERS ABSENT:**

None

Minutes ID: 852

#### **GUEST LEGISLATORS PRESENT:**

Assemblyman Marcus Conklin, Clark County Assembly District No. 37 Assemblyman Paul Aizley, Clark County Assembly District No. 41

# **STAFF MEMBERS PRESENT:**

Susan Scholley, Committee Policy Analyst Cyndie Carter, Committee Manager Cheryl Williams, Committee Secretary Olivia Lloyd, Committee Assistant

#### **OTHERS PRESENT:**

P. Michael Murphy, representing Clark County

Dan Musgrove, representing the City of North Las Vegas

Mike Cathcart, representing the City of Henderson

Kyle Davis, Political and Policy Director, Nevada Conservation League and Education Fund

Cadence Matijevich, representing the City of Reno

David A. Dawley, Assessor, Carson City

Joshua G. Wilson, Assessor, Washoe County

J. David Fraser, Executive Director, Nevada League of Cities and Municipalities

Jeff Fontaine, Executive Director, Nevada Association of Counties

Barry Smith, Executive Director, Nevada Press Association, Inc.

Niki Gladys, Publisher, Nevada Appeal, Carson City

John J. Slaughter, Management Services Director, Washoe County

Stephen W. Driscoll, Assistant City Manager, City of Sparks

Nicole J. Lamboley, Chief Deputy, Office of the Secretary of State

Mark Vincent, Chief Financial Officer, City of Las Vegas

Brok Armantrout, Director, Community Development, Boulder City

Alfonso Noyola, Acting Director, Administration Services and Finance, City of North Las Vegas

Carole Vilardo, President, Nevada Taxpayers Association

# Chair Kirkpatrick:

We will go until about 1:20 p.m. today. I know the other committees are starting at about 1:30 p.m. We are going to take Mr. Conklin first, and then we are going into our work session. Mr. Aizley will follow Mr. Conklin. Committee members, if you need to get some nutrition to keep up until 1:20 p.m., I fully understand. Just be mindful of who is still here so we can keep a quorum.

We will open the hearing on Assembly Bill 332 and start with Mr. Conklin.

Assembly Bill 332: Makes various changes relating to the Economic Forum. (BDR 31-307)

# Assemblyman Marcus Conklin, Clark County Assembly District No. 37:

Thank you, Madam Chair. You have before you today <u>A.B. 332</u>, which is a culmination of six months worth of brainstorming on how we currently establish a revenue benchmark for our budgeting process. Many of you are familiar with the State of Nevada Economic Forum, which meets traditionally around May 1 and December 1. As you are aware of our current budget situation, we need the May 1 numbers to establish exactly how much money we anticipate having to spend in the upcoming biennium.

My attempt at enhancing the current Economic Forum process is founded on four issues. The first is, if any of you are geeky like me and happened to read the Pew Center on the States and the Nelson A. Rockefeller Institute of Government joint study produced earlier this year on the power of the states to establish accurate forecasts, you would find that, at least in the eyes of the folks who examined this, there is significant room for error. variance across all the states tends to be significantly low in boom periods. In other words, the revenue estimates are always underestimated by significant amounts, sometimes by as much as 10 percent, and always optimistic in down cycles. That means that traditionally if you are having a down cycle in the economy, particularly one such as we are experiencing now, your forecasts are always higher than the actual numbers. That should translate into something for all of you here. If you are significantly optimistic and you do not meet those numbers, for us that means a special session. It also gives people a false sense of hope, because you have passed a budget that funds certain things. That means you will have to go back and start cutting again, even if you have already made cuts. In a boom cycle, it leaves for a surplus, and we could argue all day what to do with that money. It is not so dangerous to have underestimated revenues in a boom cycle, but it certainly creates some significant problems in a down cycle.

The second issue is to offer some opportunity for the Economic Forum to operate a little bit more like the Federal Reserve Board does at the Federal Reserve Bank. The Federal Reserve Bank has a board of private members—people who are in the business community who meet on a quarterly or semiannual basis and offer insight to the Federal Reserve Bank about what is going on in the economy. They are not bankers; they are businesspeople. But they are businesspeople with a lot of contacts and a lot of knowledge about what is going on in their communities and in their interests. When you are

trying to model something and determine what the future holds, as an economist, you are looking at a lot of data and a lot of knowledge about how that data fits together. What you do not have is the insight into what you might be missing: why a number might look out of place, because you do not have the knowledge that a businessman or an industry might have about what is not in the trend, what they might anticipate, and what decisions they might be making in the future that will actually affect the outcome of numbers, which of course, in the business world, you tend to keep private because you do not want the competition to know.

From my perspective, allowing the Economic Forum to participate in a manner that is more Federal Reserve-like might benefit us as legislators and staff in both the Budget Division and the Legislative Counsel Bureau (LCB) to garner more information about the subtleties that are taking place in our economy that are not yielded in the actual numbers themselves, helping with the forecast.

I also want to create some transparency. This process happens twice every other year. There is a lot of behind-the-scenes work, and when the number comes out, it is what it is. It would be nice if we could create a bit more of a public forum where insightful people have an opportunity to present, but also the public has a greater opportunity to listen to what we think the economy is doing, where we think it is headed, and how that impacts the major revenue sources in the state.

Finally, and most importantly, there is an opportunity for some warning signs. We have some big buoys way out in the Pacific Ocean that, when they move a certain distance, send a warning signal to the United States that there is a possible tsunami coming, giving us the time to change course, move people, and react. We really do not have such a mechanism in the State of Nevada. What we have is, "Here is what we expect, and if you were not looking ahead at a previous date, you had no idea that it was coming." So, part of what is in this bill is that we get some way to put out there what expectations we might need to have about our own economy in the near term and a little farther than the near term so that we, as Legislators and the public, are not surprised by changes in our budget or our economy to the extent possible.

Those are the reasons I wanted to bring this bill forward. Upon the introduction of the bill, there was a significant dilemma. The dilemma is this: I realize this is not a money committee, but certainly as policymakers, we need to be aware of the fact that the fiscal note on the original bill is substantial. To do all the things that I had originally wanted to do was going to be very costly, and in this budget cycle, costly means deadly. I have been meeting with fiscal staff, trying to meet my objectives and at the same time remove all or most of the fiscal

note so that it would be palatable to the fiscal committees, should I be fortunate enough to get it out of this one.

Madam Chair, I would like to ask a bit of indulgence of the Committee. The bill in its current form cannot go forward for the simple fact that it is incredibly costly, but I have some tenets that I am working on with fiscal staff that I think the Committee should hear about so that I can go ahead and move forward in drafting an amended version of this bill, if it is the pleasure of the Committee.

The bill, in its current form, asks for the Economic Forum to meet four times a year. It currently only meets twice every other year. The objective of the Economic Forum when it meets is to decide what the forecast should be for the major revenue sources for the state. I am talking about General Fund revenue sources. It takes a herculean amount of work to get good, sound forecasts to bring the Economic Forum, both on the side of the Governor's Office and from our own LCB staff. That is where a lot of the fiscal costs of the bill come from.

I have decided to change two portions of the bill. The first one is, instead of meeting four times a year, meeting twice a year on dates that make practical sense. We know we have a December 1 and a May 1 deadline in the budget years, and those dates make sense. My initial thought is to do December 1 and May 1 in the off years and use those meetings as an opportunity for the Economic Forum to do nonbinding fact-finding hearings on the state of the national economy and the local economy and at the same time report where we are. Instead of spending our time on forecasting in those meetings, we will use it as an opportunity for a public forum to say, "Here is where we are relative to the budget so far." What do we know about the future, based on all the information that is out there that we need to be aware of going forward so that we are not hitting bumps in the road as surprises? Those meetings would be public, and then we would ask the Chair of the Economic Forum to produce a report after each meeting, much like we do at the end of our interim reporting cycles, that says what we did at the meeting and where we are relative to our revenue schedules so far. We can uncover the issues that we need to know about. Some are optimistic. Others are a little more bearish on the economy. And here are some outliers that we think it is important the Legislature and the Governor be aware of that are on the horizon relative to our economy. We submit that report both to the Governor's Office and the Interim Finance Committee (IFC) so that the members of the IFC have the chance to ask questions about the finding of those reports.

I think this will allow us to accomplish some critical key goals. Certainly, we will have a better opportunity for warning signs of what may be coming in the future. Second, we create a whole new layer of transparency relative to our

budget process and our economy that has not been there in the past. Finally, we are offering an opportunity through this mechanism of allowing greater public participation from those who may have some unique knowledge about what is going on in our economy.

Madam Chair, that is what I would like to do with this bill if it is acceptable to you and your Committee.

# Chair Kirkpatrick:

Do I have any questions from the Committee? Ms. Flores.

# **Assemblywoman Flores:**

Mr. Conklin, many of the changes refer to putting things at the discretion of the Chair. Is there a particular reason for that?

# Assemblyman Conklin:

That is the way the bill came out of drafting, and I did not get a chance to review it prior to putting it on the floor. It was one of those last-second bills, which is also why there are only two other signatures on the bill. I just could not get to it fast enough. Going back to the idea of how the Federal Reserve Board works, I wanted to create an opportunity for chairs to actually seek out greater public participation; but it is my belief that that language, as it currently stands without amendment, already allows for that. It is a matter of making sure that the Chair understands what his role is. I am not certain all or any of those changes are really necessary. It is just a matter of my describing to the Research and Legal Divisions what I am looking for and the interpretation of that. We are offering the two interim meetings that do not currently exist and creating more of a public forum where we are not forecasting, but fact finding. We will use that fact finding when the forecasts are done at a later date, but it is critical that we are given the opportunity to really assess all those things that go into an actual forecast.

In just doing the number crunching, the trend line, the regression analysis, and any other modeling that might be used from a purely statistical sense, I think we are offering an opportunity to gather more subtle information about what is going on in our economy. That will provide a better, richer analysis when we get to the numbers.

#### Chair Kirkpatrick:

Mr. Stewart.

# **Assemblyman Stewart:**

Thank you, Madam Chair. Mr. Conklin, I love your analogy about the buoy in the ocean. These interim meetings would be completely open to the public, and they would be publicly testifying. Is that correct?

# Assemblyman Conklin:

I think, Mr. Stewart, they can already testify. I do not think you are going to get a bunch of people to testify who just randomly come and watch who are interested in what is going on in the economy. You are offering meetings where you do not have a deadline looming. For example, a May 1 deadline for budget reason, there is no deadline at these meetings because you do not have to have the final number assessed. So, these meetings would become more of an opportunity for the public to participate. By "public," I also mean folks who You might have a Keith Smith from might have specific knowledge. Boyd Gaming stop by and say, "You know, I want to let you know what we see." By the way, he sits on the Board of Directors of the Federal Reserve Bank in California. Someone else from International Gaming Technology (IGT), which happens to be a substantial manufacturer of gaming products, could let us know what they see as far as manufacturing is concerned from around the world. They do not just sell in our state alone. There could come someone from some service sector who has an opportunity to come and tell us what is going on in the service sectors of our economy that we might need to be aware of, where the trends are heading, and what the trend lines do not tell you. Companies already do this kind of analysis, but they are not just looking at the numbers; they are also relying on their own people who are out in the field to report back to them key things that management needs to be aware of for the future of their business. So, their models are a lot richer than ours.

We do not always get that data. We try under the current format, but the two meetings that we have are under a huge deadline. If we could push out some more fact-finding time in the interim, we are going to have a better opportunity to assess what we have in data and know when the actual budget process comes to us.

#### Assemblyman Stewart:

I would hope that they would have some control over the people who testify so that they do not spend hours and hours listening to those who perhaps are not germane to the budget, that they could have people who would have important input and not just the general public that sometimes gets carried away.

#### Assemblyman Conklin:

I was speaking with Patrick Guinan yesterday about how to create the right language, such that they stay focused on task. The Economic Forum has one

purpose, and that is to be able to forecast with some accuracy the major revenue sources of the state. That is their one purpose. The purpose of the fact-finding mission is to allow them an opportunity when the budget is not on the line to collect more information that will be useful to them when they are determining those final numbers. I agree with you. It needs to be clear enough that the Chair and staff have enough authority to make sure that the people testifying are relevant to the ultimate task at hand for the Economic Forum.

# Chair Kirkpatrick:

Are there any other questions? Ms. Benitez-Thompson.

# Assemblywoman Benitez-Thompson:

Thank you, Madam Chairwoman. On page 3, section 2, subsection 2(a) of the bill, you talk about the subject matter that the Economic Forum can discuss. It reads: the Committee will "Limit its deliberations regarding future state revenue to major sources of revenue. . . ." So, the intent there is that you really do want the Economic Forum just to be looking at Nevada, with our major sources of revenue being our top five, three, or what?

# Assemblyman Conklin:

I am not sure there is a definition in this part of the statute, but I think there is in other places. You have, at least at this time, several major sources that reflect the General Revenue Fund. They are sales tax, gross gaming receipts, modified business tax, and the insurance premium tax. Those four taxes represent probably what amounts to about 90 percent of all of our revenue.

There are other sources of tax that are substantial. There is fuel tax and property tax, but they do not all fit into our General Fund in the same way. I am not certain that the Economic Forum does not do some projections for fuel tax, because it is the single largest tax used for the Nevada Department of Transportation, which is its own separate budget. It is not part of the General Revenue Fund, but you still need a projection. I do not know if they look at that one as well. I believe they do. I think you have to draft the language tight enough that they stay focused on task, but loosely enough that you do not have to amend it every time you have a change in which revenue source is considered "major."

#### Chair Kirkpatrick:

Are there any other questions? Ms. Bustamante Adams.

#### Assemblywoman Bustamante Adams:

Majority Leader Conklin, I am grateful to hear about this piece of legislation. I am really encouraged regarding the transparency, especially for the public. My

question is regarding the data you want to gather. In some of the fiscal notes, and I know we are the policy committee, some agencies said that requesting the information more frequently would not cost them anything. Another agency said that they would have to add staff. If they are already producing the information, could you help me understand why some agencies would need to add staff in order to collect the information they already report on?

# Assemblyman Conklin:

I believe that we can make the fiscal note go away by doing the fact finding for this reason: Forecasting numbers is highly technical work. It requires people who are very skilled in mathematics and statistics, and it is very complex. If you are going to ask an agency to forecast numbers four times every year, they are going to need more people. There is no doubt. I will be the first to tell you that.

By changing this from updating forecasts quarterly to allowing them to report on the current state with no forecasting, we will reduce the fiscal note. That is why some agencies have a large fiscal note. They believe that the bill in its current form requires them to do the forecasting.

# Chair Kirkpatrick:

Okay, Mr. Conklin, so you are going to get an amendment to this Committee . . . ?

#### Assemblyman Conklin:

Madam Chair, I am working on it diligently. As you know, your fiscal staff is quite tied up with a variety of things right now, and I need them just for the analysis of which things would actually cost the most amount of money. I am trying to get one to you by Thursday or Friday, but in the off chance that I do not, if you would consider moving this to Ways and Means to allow them the opportunity to work on it, I would certainly appreciate it.

#### Chair Kirkpatrick:

Without recommendation?

#### Assemblyman Conklin:

Yes.

## Chair Kirkpatrick:

With that, we will see if anybody is here in support of your concept. If so, you may come forward now on  $\underline{A.B.~332}$ . Is there anybody in southern Nevada? Is there anybody who is neutral on  $\underline{A.B.~332}$ ? Is there anybody who is in opposition? [There was no response.]

With that, Mr. Conklin, we will put it on work session and see if we can send it to Ways and Means without recommendation before Friday. We will close the hearing on A.B. 332. We will now turn to our work session.

Committee members, you have had this information for a couple of days now. We will start with Assembly Bill 402.

Assembly Bill 402: Requires a state agency to enter into or participate in a contract to allow it to accept credit cards, debit cards or electronic transfers of money to the agency unless it is impracticable for the agency to do so. (BDR 31-968)

For those of you who are listening on the Internet or are here, it has been posted on the Nevada Electronic Legislative Information System (NELIS) since yesterday. You should have had it first thing this morning. Ms. Scholley.

# Susan Scholley, Committee Policy Analyst:

<u>Assembly Bill 402</u> was sponsored by Assemblyman Oceguera and was heard in this Committee on April 6.

[Ms. Scholley read from a work session document (Exhibit C).]

# Chair Kirkpatrick:

We talked with all the local governments, and they were on board with this. I know there was a little confusion, but everybody is clear now. Do I have a motion?

ASSEMBLYWOMAN PIERCE MOVED TO AMEND AND DO PASS ASSEMBLY BILL 402.

ASSEMBLYMAN GOEDHART SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

We will now turn our attention to Assembly Bill 404.

Assembly Bill 404: Revises provisions regarding properties purchased or leased for use by the State. (BDR 27-381)

# Susan Scholley, Committee Policy Analyst:

[Ms. Scholley read from a work session document (Exhibit D).]

The amendments have all been compiled into the attached mock-up, so none of this is new since the hearing. It is just in a different format. On page 2, lines 28 through 30, is the deletion of the exemption for boards and commissions. That is the Speaker's conceptual amendment put into the mock-up. I am happy to try and answer questions.

# Chair Kirkpatrick:

Do I have a motion?

ASSEMBLYMAN ELLISON MOVED TO AMEND AND DO PASS ASSEMBLY BILL 404.

ASSEMBLYMAN GOEDHART SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

[Chair Kirkpatrick left the Chair, and Vice Chair Bustamante Adams assumed the Chair.]

#### Vice Chair Bustamante Adams:

We will now go to Assembly Bill 422.

Assembly Bill 422: Provides specific authority for public bodies to lease water rights to certain owners or holders of water rights. (BDR 48-681)

Ms. Scholley.

# Susan Scholley, Committee Policy Analyst:

[Ms. Scholley read from a work session document (Exhibit E).]

The attached amendment would essentially delete the existing bill and substitute instead an amendment to what was <u>Assembly Bill No. 436 of the 69th Session</u>, which required the Southern Nevada Water Authority (SNWA) to adopt a groundwater management program in the Las Vegas Valley Groundwater Basin. The amendment would effectively limit the ability to lease these rights to the Las Vegas Valley Groundwater Management Basin. Thank you.

#### **Vice Chair Bustamante Adams:**

Do you have a question, Mr. Goedhart?

# Assemblyman Goedhart:

I agree with the concept behind the bill, but why is the intention to limit it just to being able to have a public entity leasing the water rights? Why did we narrow it to only the Las Vegas SNWA area?

# Assemblywoman Kirkpatrick:

Mr. Goedhart, as the bill sponsor, Las Vegas is where they seem to be overpumping. In order for them to allow the leasing capability, they have to change the groundwater management plan they currently have in statute to allow that. It currently does not allow for that.

If you are asking for it to be open across the state, I do not have a problem with that. I just wanted the folks who are overpumping to get into compliance.

# Assemblyman Goedhart:

I think we probably have folks who are overpumping in more areas than in just the Las Vegas Valley. This may be something we may want to look at in a future session to expand that to some other water management groundwater basins as well. I think it looks good. Thank you.

# **Assemblywoman Pierce:**

To be clear, the amendment accomplishes what you wanted to accomplish in the original bill. Is that correct?

# Assemblywoman Kirkpatrick:

That is correct. The amendment allows two things: One, the Well Owners Association shall meet only once a year. They have been meeting quarterly, but they work so well together that once a year works. The other part is to allow the groundwater management to lease these water rights to people who are overpumping.

#### Vice Chair Bustamante Adams:

I will entertain a motion.

ASSEMBLYMAN LIVERMORE MOVED TO AMEND AND DO PASS ASSEMBLY BILL 422.

ASSEMBLYWOMAN WOODBURY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

[Chair Kirkpatrick reassumed the Chair.]

# Chair Kirkpatrick:

Next is Assembly Bill 466.

Assembly Bill 466: Requires the State Engineer to define, by regulation, the term "environmentally sound" for the purpose of making certain determinations relating to interbasin transfers of groundwater. (BDR 48-1120)

# Susan Scholley, Committee Policy Analyst:

Thank you, Madam Chair.

[Ms. Scholley read from a work session document (Exhibit F).]

A proposed conceptual amendment is before you which would instead require the State Engineer to initiate the regulatory process before December 31, 2011. The regulations are to be adopted by December 31, 2012. If they are not adopted by that date, then the State Engineer would report to the 2013 Legislature on the progress made in that process and would estimate the additional time needed to complete the process. Thank you.

# Chair Kirkpatrick:

Committee, we did work with Kyle Davis, who worked with Susan Lynn and the State Engineer's Office. What I did not want to happen was for them to go out and just define "environmentally sound" if they were rushed just to put a regulation in place, so this will allow them to go out—and I believe it is going to be a complicated process—to just define that one term. If they do not make it back before the next Legislative session, then the Legislature can determine what their next course of action is. Mr. Ellison.

# Assemblyman Ellison:

Madam Chairman, can you refresh our memories on what the impact was that is shown in here, \$32,000?

# Chair Kirkpatrick:

The reason for that impact is that is the cost of doing regulations, for them to have some meetings. Anytime that the Legislature requires agencies to do regulations, it comes with a cost, and I believe that Jason King testified that he could do it within his purview. This was something that came from the Public Lands Subcommittee, which is a large discussion that they had. I did not want to define it in statute, because I believe that it is done better in regulation. This allows future legislators to determine whether the process was followed.

I will take a motion.

ASSEMBLYMAN STEWART MOVED TO AMEND AND DO PASS ASSEMBLY BILL 466.

ASSEMBLYWOMAN PIERCE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

That concludes our work session for today. We are working very diligently to get them out as quickly and cleanly as possible. For the Committee, my goal is to make sure that people have a mock-up to look at because I think it is helpful.

We will now turn our attention to Assembly Bill 342.

Assembly Bill 342: Authorizes the State and local governments to publish material electronically in lieu of in a newspaper in certain circumstances. (BDR 19-271)

Mr. Aizley, I apologize that we had to roll you yesterday. Good morning.

# Assemblyman Paul Aizley, Clark County Assembly District No. 41:

Good morning. Thank you for the opportunity to present <u>A.B. 342</u>, which will allow state and local governments to publish legal notices and advertisements on their official websites, rather than in the newspaper, unless such online publication is expressly prohibited by state law.

[Assemblyman Aizley read from a prepared statement (Exhibit G) and presented the mock-up "Proposed Amendment 6023 to Assembly Bill No. 342" (Exhibit H).]

#### Chair Kirkpatrick:

Thank you. Does anybody have any questions? Mr. Ellison.

#### Assemblyman Ellison:

How many people actually use the newspaper as a source of information? The reason those publications are in there is they have to be noted. There are a lot of areas that do not have Internet that still have print. My concern is, are we leaving a large number of Nevadans out by going strictly to Internet use versus the press? You have a lot of areas out there that do not have Internet. Some seniors get a paper everyday, but they will not use a computer. Maybe you can address that.

# Assemblyman Aizley:

Mr. Ellison, without having specific numbers, newspaper subscriptions are dwindling. They have gone down in the four years I have been watching this, and Internet access is becoming more available with Wi-Fi. I have had my own experiences with older people learning to use the computer. It can be done. I think I can testify to that.

# **Assemblyman Ellison:**

But, can you still address the problem of areas that do not have the Internet and how you are going to get information to them? This is the area where we go back and post all the expenditures in the counties. Can you address that?

# Assemblyman Aizley:

I cannot address it specifically. I do not know which areas are not covered. I do not know how many people live in areas that do not have Wi-Fi access. I think it is very limited now, with satellite distribution of the signals. I think it is available throughout the state of Nevada. I do not know where it is missing.

#### Chair Kirkpatrick:

Mr. Livermore.

# **Assemblyman Livermore:**

I can speak personally for my family, and I am speaking about my wife's family who live in Carson City. Very few of them have Internet. The old days of broadcast television went away just last year when we went to digital. Even this is a contact with your local government. I can tell you that when I get my newspaper and I get my assessor's bill, I want to compare them. I can do it at my leisure, sitting at my couch or at my kitchen table; we can discuss the issues about what the appraisals were. You can save those from year to year, and you can compare them back to back. A lot of that stuff is done. Eliminating newspapers and the printed media may be cheaper or more convenient to some. But a lot of people still watch their tax bills and measure what government does over the past three to five years. I do not see us going away from print media. I cannot support this in its current form.

#### Chair Kirkpatrick:

Mr. Goedhart.

#### Assemblyman Goedhart:

Thank you, Madam Chair. Is this the second or third time you brought this up, Mr. Aizley?

# Assemblyman Aizley:

This is the second time.

# Assemblyman Goedhart:

It is one of those bills that keep on popping up, and I, for one, actually think the time has come to exercise wide stewardship of limited resources. We would save a lot of money, even for folks who do not have access to the Internet. I think we might be able to provide them a paper copy. They can go to a public building and access that. They have friends that can print off what part of the report they want. I happen to think it is a good bill. It is good for the environment; it is good for the budget. The only one it hurts is the newspapers. I am all for it. Thank you.

# Chair Kirkpatrick:

Are there any other questions? Ms. Neal.

# Assemblywoman Neal:

Thanks, Madam Chair. I want to clarify something. This is optional, because it says, "as applicable," so that means that if you do not need it, do not do it. And then I read "and" in section 4, so I assumed that it was inclusive to all the other types of publishing. Is that correct?

# Assemblyman Aizley:

Yes, it is optional in this bill. If I may, Madam Chair, we are being told over and over again to run government like a business, and now we have the option of printing something at a cost of \$880,000 versus essentially nothing. I think, to be a businessman, I would go with nothing.

#### Chair Kirkpatrick:

Thank you. Are there any other questions?

Mr. Aizley, you know I have never supported this. However, I always believe in a fair hearing. I really worry that technology is going to be the thing that kills the way we do things altogether. I will elaborate a little. Kids text each other at the dinner table as opposed to talking to each other. Kids are talking on cell phones as opposed to communicating to each other. Our kids do not read dictionaries anymore, because it is easier to go on Google and find the answer. Kids do not research anything anymore, because we do not even teach them how to look things up in an encyclopedia.

I am nervous, and I admit I am afraid of technology, but I fear that we are going to lose sight of how we look at things and how we go farther. You know, the assessor's roll is something that I look through to see where my neighbors are,

who is paying their bills, and who is not. Granted, it is a lot of paperwork, but at the same time, it is still access that I have.

I think Mr. Livermore makes a good point. It is at my convenience. I would bet half the people in this room did not wear glasses until the computer became a part of our day and age because we are spending so much time on the computer that people have forgotten how to turn paper. However, the Committee may think it is a great thing. I am only one vote, and I have been known to vote no on things that come out of committee, but I just worry that we are losing sight. Everything cannot be on the website. We need to be able to communicate. We need to be able to look things up. For heaven's sake, we do not even teach manuscript in third grade anymore; we teach keyboarding. When kids do not know how to spell, we have no one to blame but ourselves because it is all done with spell check. I just want to put that out there. I have never been shy about my nervousness with technology, but I think that the paper still allows us to communicate and read. In my own house, my kids speed read because they can in Google. They can type Ctrl+F, and they can find the word they want, and they only have to read that paragraph. I applaud you for being persistent in bringing this back every time, but I think that, for the smaller counties, not everybody does have access to the Internet. In our state we have places where there is no broadband whatsoever. As we become technology friendly, we cannot lose sight of the basics.

#### Assemblyman Aizley:

I admit that if I need help with the computers and my cell phone, I usually ask one of my grandkids and get a very quick response. On the other hand, there is the convenience of the Web. The ability to access this on the Web takes about two minutes. I would challenge how many people store this in their homes. [Assemblyman Aizley held up a stack of papers.] It is printed in December; you have it in July. I do not think it is there, but it is available to anybody who comes to town. You can go to a library. The information is there on the Web. I think this is the way to go. This is the future.

On the other hand, computers are not everything. When I teach my calculus class, the kids cannot use anything except pencil and paper. I agree the information has to get into their heads as well. There must be a balance. You cannot ignore what is happening. This is available and convenient, and I think it is the way to go. If you are talking about \$1.5 million, in a biennium, at a time like now, there is no choice in my mind.

#### Chair Kirkpatrick:

Are there any other comments? Ms. Pierce.

# **Assemblywoman Pierce:**

I voted for it four times, and I will vote for it again.

# Chair Kirkpatrick:

Are there other comments? Mr. Aizley, I am sure you have all the local governments here to support something for the first time this session, right?

# Assemblyman Aizley:

It would be the first time that any of my bills had been supported so widely. Thank you.

# Chair Kirkpatrick:

Those who would like to testify in support, please come forward.

# P. Michael Murphy, representing Clark County:

I am excited today, or at least I was until a minute ago. It is not a Friday, I am not opposing something, and then I recognize that you may be. I would assume that our record is intact.

We have heard bills already this session about government transparency and the desire to put all of our agendas on the Internet so that they can be readily available. We use the Nevada Electronic Legislative Information System (NELIS). Computers are a part of what we do. In the interest of full disclosure, I will tell you that I read several newspapers on the Internet, but I am still a subscriber to my local newspaper, because part of my ritual is that I like to sit and read the newspaper on a Sunday.

I want you to also remember the accessibility of the tax rolls. Being able to go to our website at Clark County and enter a parcel number, use a Google map, or enter a name is twice as easy, in my opinion, as the ability to go through a piece of newspaper with print that for me appears to be getting smaller.

Mr. Musgrove and I have talked. I guess the bill was vetoed by the Governor last time. For us, it can be literally a savings of about \$1 million—\$600,000 for the tax rolls and \$500,000 for general publications. We believe that if you ask us in government to run things more like a business and we are given an opportunity to do that, we want to do that. We ask for that opportunity. We know that if anyone wants to know more about the tax rolls and they do not have access to the Internet, if they have access to a telephone, they can call us, and we will talk to them. We would ask that you consider passage of this bill.

# Chair Kirkpatrick:

Thank you, Mr. Murphy. Does anybody have any questions? Mr. Musgrove.

# Dan Musgrove, representing the City of North Las Vegas:

Last session, I was given a hard time by the opponents because I worked the bill and did not allegedly have a client. As Ms. Pierce said, it is something that really just has kind of boggled my mind the last few years as to why they continue to say that it is anything else but a money issue for the Press Association, and especially the *Las Vegas Review-Journal*.

Mr. Livermore, with all due respect, I think that this is a very hard document to use. In today's world, I think it is hard for us to know, and at least in Las Vegas and maybe not in your wonderful community, it is hard to know who our neighbors are in terms of their names or under what name their property has been purchased. There are family trusts and other things. This is an alphabetical list by name. If I want to know the guy on the street behind me, I do not know his name, but I know his address. Or, better yet, when I go on the Clark County website, I can pull up a map and start picking out properties to look at. I can pull it up. I can see when they purchased it, what the purchase price was, and the current assessment. I can also find out who my elected officials are from that same website.

I think that is such a tool for all of us to have, whereas newspaper is a dinosaur. It really is something that, unless you are someone who knows every name and every person on your street, the only thing you can really look up is your information, and that information is delivered to you by mail from Clark County. You get your assessment roll. You get your tax information from the Treasurer. If you want to sit back and compare multiple years, we all keep that information, but it is tough to use the newspaper, and it comes at a tremendous cost to local government. I think it is time that they be given the option of looking for better tools for the citizens to use 24/7, 365 days a year, not the one day a year that it cracks my driveway and goes directly from my driveway into my recycling bin. That is the effort that I take with this document, because I do not know all my neighbors. It is nice to look up what Steve Wynn owns, because he is in here somewhere, but I can do that on the Internet if I know where his property is or what his corporation name is.

This bill has gone from not passing in the last two minutes left in the 2003 Session because the Senate did not stand up in time to concur with the amendment to being vetoed by Governor Gibbons last session. This House has always supported this legislation, and we ask for your support one more time.

# Chair Kirkpatrick:

Are there other questions? Mr. Ellison.

# Assemblyman Ellison:

My wife works with computers all day long, and when she comes home, she is not about to look at another computer. Every morning at the break of dawn, the newspaper is on the front porch. She grabs it and reads it faithfully six days a week.

You are right about technology and kids. My four-year-old granddaughter told her grandmother the other day she was stupid because she did not know how to use the computer. That is a bad thing.

I believe in the First Amendment, and I believe in the freedom of the press and getting information out to the public. Where people do not have a computer or do not want to use a computer, I think we are taking that away from the people. Thank you.

# **Assemblyman Livermore:**

Mr. Musgrove, do you see this marking pen here? That is what you use when the paper comes to you. You not only mark yours, you mark your neighbors', your friends', and you mark your relatives'; and you can go back as quickly and as conveniently as you want. I do not think if you go onto a computer and do this, you are going to print all these damned pages out, and you are not going to know what you have and how you measure them. Mr. Ellison is completely correct. Generally, I do not come to this facility until I have read the paper, or at least looked through the headlines. I will go home tonight and finish up the stories of interest to me. There is nothing convenient like highlighting, marking, doing research, and not having to turn the computer on every hour of the day. I can sit and have breakfast or dinner and discuss with my wife and family stories in the paper, including those tax assessments.

# Chair Kirkpatrick:

You had to know it was coming.

#### Dan Musgrove:

Absolutely, Madam Chair. I certainly do not want the newspaper to disappear. I just do not really believe personally that folks are poring through the legal notices in the back of the newspaper.

I agree that there are certain things one would want to see in print, and we do not want you to have to print all those pieces of paper, nor do we want taxpayers to have to print this many for those who do not really use them. One

of the amendments we had in a previous bill was that if you put in a call and requested it, we would send it out to you. I think that that is an alternative as well, to do it on demand. Let someone actually ask for it. I think you would be surprised that in the next year or two we would be happy to report how many people asked for a physical copy of it. I think you would be very surprised that there are only a couple of Mr. Livermores out there who want to highlight it. For that, I think you should have it.

# Chair Kirkpatrick:

Mr. Anderson.

# **Assemblyman Anderson:**

Thank you, Madam Chair. I am trying to remember the bill from last session in this Committee. It just dealt with the assessor's roll, is that correct? Would there be room to go back to that? I think one concern that might be out there is that you have legal notices in addition to the assessor's rolls. We have been talking about assessor's rolls. Do you think that there would be room for that? I can see a difference between legal notices, which might benefit from a wider distribution because they are smaller and do not cost as much, and the assessor's rolls, which are huge.

# Dan Musgrove:

Speaking on behalf of North Las Vegas, we do not have to print the assessor roll, so we print the legal notices. For us, that is where our savings would come. We have, in previous sessions, worked hard to limit the size. Back in the old days, you had to take out a quarter-page advertisement due to a certain specific kind of legal notice. I think there have been changes over the years to make it smaller and cheaper for the local government to print. I think that is up to the bill's sponsor and this Committee as to how you want to process the bill. We like the fact that it includes all publications.

#### Chair Kirkpatrick:

Thank you. Go ahead, Mr. Cathcart.

#### Mike Cathcart, representing the City of Henderson:

We are supportive of  $\underline{A.B.}$  342. On an annual basis, this type of legislation could save us up to \$150,000 in legal notices, but we also appreciate the fact that we could still publish in the newspaper in certain circumstances if we wish. This gives us the option to make those determinations of when it is appropriate to go into the newspaper and when it would be appropriate to go online. Thank you.

# Chair Kirkpatrick:

Are there any questions? Mr. Davis.

# Kyle Davis, Political and Policy Director, Nevada Conservation League and Education Fund:

As an environmental lobbyist in the desert, I do not get a lot of opportunities to try and save some trees. We think this bill will save some natural resources and prevent having to print out stacks of paper every year. Being able to access this information on the Internet, I think, is a better use of our natural resources. We are in support.

# Chair Kirkpatrick:

Are there any questions? Okay, Cadence.

# Cadence Matijevich, representing the City of Reno:

In the interest of the Committee's time, I would just give a "me, too" and a thank you to Assemblyman Aizley for his perseverance with this issue.

# Chair Kirkpatrick:

Thank you. Mr. Dawley.

# David A. Dawley, Assessor, Carson City:

We would like to thank Mr. Aizley for bringing this bill up again, as well. The assessment is a huge part of our budget in Carson City. This makes up almost half of my services and supplies on a yearly basis.

One of the questions that was brought up was about the seniors and the fact that they do not have access to a computer. I do not know if anybody has actually seen the print on this paper. [Mr. Dawley held up a newspaper.] I can barely read it.

I brought 15 of the 17 lists that we at the County Assessor's Office publish each year. As Mr. Aizley said, it is almost \$800,000, and this is huge. We have on the Carson City Assessor's Office website five years worth of these papers, so if you want to see it at any time throughout the day, you can go online, and you can see back five years. The information on my website is current, so you can get up-to-the-minute information, whereas this publication is printed once a year, in December, and that is it. My website has all the information and is currently up to date. I hope that you pass this bill. Thank you.

#### Chair Kirkpatrick:

Thank you. Good morning.

# Joshua G. Wilson, Assessor, Washoe County:

I stand in support of this bill as well, and I applaud Assemblyman Aizley for bringing it forward once again. The assessor's interest is specific to the assessment roll, because yesterday I was before the commissioners, giving my budget reduction plan. In previous years, this has been questioned as to why we are still doing this in today's society. Having said that, I would certainly like to save a body in my office, because this was part of my budget reduction plan. If it does not work out, then I will make other arrangements.

Transparency is one of Washoe County's organizational values, and I feel that you have increased transparency by providing this information on the Internet, rather than a publication that you may or may not get on any given day. I appreciate the opportunity, and please pass.

# Chair Kirkpatrick:

Thank you. Mr. Ellison has a question.

# Assemblyman Ellison:

I am hoping that maybe some of the others can hit on this. Aside from the assessor's role, what else would be eliminated from being reported to the press?

#### Josh Wilson:

Again, I am focused on the assessment roll. <u>Assembly Bill No. 307 of the 75th Session</u>, which passed out of both Houses, was specific to the assessment roll, as well as the delinquency list that the Treasurer produces for those taxpayers. I am not familiar with the other legal notices or advertisements that Washoe County is required to publish.

#### Assemblyman Ellison:

Unclaimed property would be another one added to the list. Would there be any more that I do not know of that could be eliminated by this?

#### Josh Wilson

I am not specifically aware of more that will be eliminated, but I would note that in *Nevada Revised Statutes* (NRS) 361.300, it talks about putting this information in the libraries and keeping a copy of it in the assessor's office. I think for those individuals that may be handicapped in the access to technology that we could try to provide some other means to provide this information to them. If they call and request it, we would be happy to mail it to them. I want taxpayers to have access to the information. It is just that every year when I publish this, I get both questions from staff, as well as letters to the editor in the *Reno Gazette Journal*, challenging why I am still doing this. As the elected Assessor, my name is all over it, and so I get the brunt of those

calls. I have had numerous calls complaining about wasting taxpayer dollars in today's society. I do not recall receiving one call supporting it.

# **Assemblyman Ellison:**

Thank you.

# Chair Kirkpatrick:

Are there any other questions? Are there any other local governments wanting to testify?

J. David Fraser, Executive Director, Nevada League of Cities and Municipalities: I am appearing in support of the bill. I have teenage children, and so I fully understand the Chair's frustration with what technology is doing to our social interactions. Relative to some other comments made, I like to read the newspaper. What's more, I read books—physical books. I do not have an electronic reader. I like to read actual books.

I do not think that this bill is about our personal preferences. I think that it is really about transparency and access to the information by the public. I appreciate that the bill gives the opportunity to still publish in the paper, so that if you have something, as Mr. Cathcart said, that would be more appropriate in the paper, we can still do that. If we have different areas of the state where Internet access is not as good as others, then those local governments can still utilize the newspaper for that, as I understand it. Where the Internet is available, I think that the abilities that have been described here, despite some of us who have personal preferences, will really make the information more accessible and more transparent to the public. For those reasons, the League of Cities stands in support of the bill. I would certainly take any questions. Thank you.

#### Chair Kirkpatrick:

Thank you, Mr. Fraser. Does anybody have any questions? Mr. Fontaine.

#### Jeff Fontaine, Executive Director, Nevada Association of Counties:

We, too, support this bill for all the reasons that have been mentioned. We would also like to thank Assemblyman Aizley.

I want to mention that there were some questions about the availability of broadband in the State of Nevada. I am a member of the Broadband Task Force for the state, and we have worked with Connect Nevada, which has been selected as the group to help create broadband opportunities in the State of Nevada. They recently received a grant from the U.S. Department of Commerce's National Telecommunications Information Administration to look at

the availability and usage of broadband in the state. They completed their report last fall. I will tell you of a couple of findings in that report.

First of all, 97.85 percent of households across the state have broadband available. Every county has broadband available. Obviously, some counties have it more available than others. On the lower end of availability is Eureka County, where 23.5 percent of households have broadband available. On the high end, interestingly enough, is Carson City, where 99.94 percent of households have broadband available.

So, how many people are actually subscribing to broadband? Seventy-eight percent of the people who have broadband available to them are subscribing to that service. The difference between the number of people who actually subscribe to broadband and have it available is actually higher here than the national average. In other words, the adoption rate nationally is 67 percent, compared to Nevada's 78 percent. In the case of Eureka County, for example, where they have maybe not a lot of broadband available, they still have the option under this bill to publish in the *Eureka Sentinel*, which has a circulation of 400 people, or whatever newspaper they decide to publish in.

Again, we are looking for every opportunity to save taxpayer dollars, and we think this is a good bill. I would be happy to answer any questions.

#### Chair Kirkpatrick:

Thank you. Does anyone have any questions? Is there anybody else who would like to testify in support of this bill? Is there anybody who is neutral on this bill? If there is anybody in southern Nevada who would like to testify, all you have to do is go to the table, and we will recognize you. [There was no one.]

Is there anybody in opposition?

# Barry Smith, Executive Director, Nevada Press Association, Inc.:

I am testifying in opposition to  $\underline{A.B.\ 342}$ . I want to make it clear right off the top: This is not the same bill. This is much broader. This goes to all public notices, not just the assessor rolls.

[Mr. Smith intermittently referenced his prepared statement (Exhibit I).]

Posting notices on government websites is a good supplement. That is something that does help people. It increases the audience for public notices. That is the whole idea behind public notices, to get the word out. It is different from public records, which are available. Public notices are those pieces of

information that the government is required to get out to the public. That is the whole idea here. One of my key issues here is to prevent a proliferation of places that you have to go to find out what your government is doing. By my count, there are between 300 and 350 government agencies in Nevada—state, local, school district, county, et cetera. Most of them do have their own websites. They publish lots of information there. What A.B. 342 says is, if they want to publish a public notice, they could publish it on any one of those. You would have to actually go check those every day to see if there is a public notice there that might affect your life, business, or your home, which is the whole reason that public notices are published. That is the difference between a public record and a public notice: public notices have to be widely available to the public for fairness, accountability, and transparency.

We have asked what the public prefers. We asked Pulse Research, a polling company from Portland, Oregon, to survey Nevada registered voters. This was in 2008. The survey was mainly about political advertising, but we did ask them about public notices and where they read them. The question was, "Where would you prefer to read public notices?" Fifty-six percent said newspapers; 18 percent said the Internet. Eighty-seven percent said state and local governments should continue to be required to publish notices in the newspapers. Thirty-one percent said they read those notices frequently. Another 33 percent said they read them sometimes. Only ten percent said they never read the public notices. These are important notices. The question came up, "What does this include?" I will come back to that in a minute.

People go there because that is where they expect to find the public notices that affect them. It is wonderful that government can put these on the Internet. Nothing is preventing them. In fact, since last year all public notices placed in newspapers in Nevada also go to the Nevada Press Association website. It is one of 42 states that provides access through a single portal. You go to the state, where all those notices are available on the website. It is < www.publicnoticeads.com > , and there is a link there to Nevada's site.

The idea, again, is that they are available to both places. That is because, as we have heard, some people prefer to read them in one form, some people in another form. We want to make them as widely available as possible. That is what the newspapers have done. There is no extra cost to publish them online. We realize that the readership shifts. We have an older audience that prefers print; we have a younger audience that reads news online. We provide them in both ways. That is what you are getting.

It was said that this can be done for essentially no cost, and there is no fiscal note on this, so the assumption is that it would cost less. But again, we are

talking about all public notices going up on a website. One of the key issues here is accountability, and the reason those public notices, throughout history, have been published in newspapers is that it provides third party accountability. It goes through somebody that is not involved in government. Independent businesses that publish public notices, in many cases, provide an affidavit of publication that that, in fact, did happen. That is why these notices are in law. They are required to be out there for people. There has to be proof. There has to be an historical record. They cannot be changed, which is not true. I am sorry. On the Internet, they can be easily changed. They can be altered. Last week, Epsilon and Sony, two giant companies, got hacked. They spend millions of dollars a year on their security. People were able to get into their systems This provides for no security, no accountability. and change them. example, you publish a notice that says a meeting is going to occur on a certain date at a certain time in a certain room. That is a public notice. It is required to be there. A mistake is made. We put 6 a.m. instead of 6 p.m. Oh, well. I will just go back and change it. What record is there that this existed in the first place, that this was not changed by somebody in government or outside of government?

Again, you are talking about 300 or 350 websites. Who is going to go check to make sure that these notices were printed properly on the forms required by law? There is no accountability in this. There is not even accountability from government to government. There is nobody to check independently and confirm that this was actually done.

The cost of not printing notices can be very expensive. This goes back five years. Adrienne Packer of the *Las Vegas Review-Journal* had a story that started with a public notice in the newspaper. A reader noted that a piece of public property near the airport was noticed as being used solely for a cemetery. When the property actually came up for a vote in a proposed lands swap with the airport, no such restriction was mentioned. That property was purchased and flipped for \$6 million by a private developer. Sometimes the cost of not publishing notices can be huge.

There is no provision for archiving through the history of this. The standard format for archiving in the State Library is microfilm. The way formats change electronically, there is no guarantee that five or ten years down the road what exists electronically can be readable, let alone hundreds of years of records that need to be able to be searched and archived. I also want to note that the federal government, when you talk about cost, is talking about shutting down seven of its open government websites. Why? They cannot afford to keep them running. What happens if these notices are published on websites, and

the local or state government can no longer afford the website? It disappears. Where is the record? Where is the archive of that public notice?

I want to talk about availability. There were some interesting figures from Mr. Fontaine on what is available and what people actually have. The fact of the matter is when you choose between printed notices and the Internet, the people you are most likely to cut out are the people least likely to have Internet access. They are the poor, minorities, the less educated, and rural people, that portion of your state constituency that is least likely to be able to access these notices over the Internet. Again, it is not a question of making them choose. This is a question of the government choosing how it gets this information to the public, not enabling the public to choose how they get the information. The way it exists now, they can choose between publications in the newspapers and on the Internet. They can get it whichever way is most accessible to them. That is the whole point here.

A couple of examples come to mind. The Department of Motor Vehicles (DMV) has asked for money for more kiosks, even though it has a 24-hour, seven-day a week website. It is very convenient. I use it, but most of their business is walk-in for vehicle registrations. The State Treasurer's Office operates a website for unclaimed property. It does not get much attention until she actually goes to the papers and generates publicity about it. This is a website where you get free money if it belongs to you. That tells me that people do not go to government websites to search for public notice even if they are going to get money back because of it. That is the reason that public notices are required. They need to be pushed out there.

Illinois is a state that requires the publication of both, which is something to consider. New Jersey is an example of a state where the website went down for a day. Those notices were not available to anybody. To exemplify how we are not just talking about the assessor rolls, here are some notices that it would be optional where they are published:

- A proposed or adopted city or county ordinance.
- A city or county's intention to sell or trade public property.
- Development of an industrial park.
- A hearing on a complaint alleging the existence of a public nuisance.
- Advertisements for bids on public works projects.
- Hearings on zoning regulations and master plans.
- Constitutional amendments and statewide measures.
- The close of voter registration.
- Hearings on tax rates and government budgets.

- Hearings on establishment of historic districts.
- Hearings on appointments to fill a vacancy on a school board.
- School board meetings to move or close a school.
- Hearings on reclassifying or closing a county road.
- Intention to remove bodies from a cemetery.
- Meeting to change gaming regulations.
- Proposed regulations on hunting seasons and bag limits.
- Court hearings on water rights and applications to divert or appropriate public water.
- Notice of intent to modify the weather.
- Regulations regarding livestock brand inspections.
- Applications to construct a public utility.

There are a lot of things there that I do not know if they are going to affect me or not, but I am not going to search through every website for every government in this state to see if there is something there that might affect me. That is the whole point here.

# Chair Kirkpatrick:

Mr. Smith, can you leave a copy of that for the Committee members so that they could look at it. Ms. Benitez-Thompson has a question. We still have five more bills, so wrap it up.

#### Assemblywoman Benitez-Thompson:

I am looking at the Pew Research Center's Report: The State of the News Media 2011, and in terms of access, they are telling me that 47 percent of adults check for news online through a mobile device, compared to 40 percent of adults who say they get their news from a newspaper. I do not think that by giving local government the option to post things online that we are limiting access or people's way to get information. I think what the study is telling us is that people go more and more to the electronic source first and to a paper source second. I see you testify many times in terms of access and transparency in government and greater access to information, and I would think this would be right up your alley, because it does just that. The data is telling us.

#### Barry Smith:

Thank you very much for the question, because that is what I want you to understand. What this bill does is limit access to people who have a computer, a connection, and decide to go to a government website to look to see what is going on. This gives the governments the option of where to publish. That is a huge loophole in the public notice law. It is one the Governor was constantly

attempting to use even though it was not in the law. Maybe you have 99 zoning regulations that are fine, popular, do not cause any problems at all, and you publish all of those in the newspaper. That 100th one, the controversial one, the one that changes everything, is published on the planning commission's website. How would you know where to look? How would you know that that other regulation is out there? It lets them pick and choose where they are going to publish their public notice. Would you know that, yes, I saw all these regulations; I saw all these water rights applications. I saw all these notices in one place, but the one that might cause the problem that we do not want to hear about we published in another location.

# Chair Kirkpatrick:

Ms. Benitez-Thompson, we want to go on to our next speaker.

# Assemblywoman Benitez-Thompson:

My response would be, I would think that people would find the information on the Internet first before they found the information in the paper. Especially with having free access through the libraries, access to the Internet nowadays is no more burdensome than having to have change on hand when you go and buy a paper and then sift through that paper. I think there could be arguments on both sides, but I do not think that this is any more burdensome or cumbersome or limits information.

#### Chair Kirkpatrick:

We could probably debate this all day long. I will allow one more minute, and then we will go to our next speaker.

#### Barry Smith:

I do not need a minute. I just want to point out that the definition in here of "local government" is "any board, commission, department or other agency or instrumentality thereof." How would you know where to look? Thank you.

#### Chair Kirkpatrick:

Thank you. Get that copied for the Committee members, because I think it might be different.

#### **Barry Smith:**

Did you get a letter (Exhibit J) from Dennis Johnson? He was here yesterday. He emailed a letter. He is a private citizen who wanted to testify. I have the letter. I will make sure it gets on the record.

#### Chair Kirkpatrick:

Okay. My staff can put it on NELIS. Go ahead.

# Niki Gladys, Publisher, Nevada Appeal, Carson City:

I do not have a lot to add to Barry's points, so I will be brief. I want you to know I am a publisher who has high interactivity with the community, and I am actually a strong Internet user as well. But I can tell you that a good portion of the communities that I represent do not have the ability, the equipment, or the interest to look on the Internet. They are just not connected. I get handwritten letters from my readers. We get many opinions that are in cursive writing. Recently, I made a mistake and thought that we could just post our television listings online and people would be happy with that. It was clear that they would not be happy with that, so then I came up with the alternative of, "Wow, we could save paper if we just delivered the TV book to those who wanted it." I estimated there would be a few hundred people who said yes. Over 20 percent of my readers have requested it.

In these communities, and I am sure in most rural communities, we are not as advanced as we think we are. We are not as advanced as those in this room.

I also heard that governments want to be accountable, like businesses. I really applaud that, but I want to remind you that businesses advertise when they have something to say, and businesses are accountable.

# Chair Kirkpatrick:

Thank you. Mr. Livermore.

#### Assemblyman Livermore:

Thank you, Madam Chair. I believe it was the Chamber of Commerce that encouraged the local newspaper to publish a news story in the Sunday paper about a government meeting that is going to take place next Thursday. I believe you do that pretty faithfully. It is not like going to a public meeting where you have an important issue to discuss and no one shows up to help you debate and decide the issue. Limiting those processes of communications is a disservice to yourself as a public officer and as an individual who may volunteer to serve on a board or commission. You want the public's input. The only way you can get the public's input is to inform them of the meeting's time and subject matter to be discussed. This takes you back down to the lessons of what Mr. Smith tried to communicate here. Thank you.

#### Chair Kirkpatrick:

Thank you. Are there any other questions? Does anybody else want to testify in opposition to this bill? Is there anybody who is neutral on this bill?

Mr. Aizley, do you have any final comments?

# Assemblyman Aizley:

I have a couple of responses. I do not want to answer everything I have heard. In Clark County, the *Las Vegas Review-Journal* now has a subscription of about 167,000. With 2 million people, that is less than 10 percent getting a newspaper. So, if you want to get this information, whether it is a tax roll or unclaimed property or whatever, you are going to have to go find a newspaper. It is not going to come to you. You will have to go somewhere and buy a newspaper. This stuff is available on the Web. It is a much more convenient way of doing it. How would you know which issue of the newspaper to look at for the information? You can search the web much more quickly. For transparency and availability of data, the Web is by far the easier and the better way to go. I think that is the current trend nationwide. Thank you.

# Chair Kirkpatrick:

Thank you, Mr. Aizley. Are there any other questions from the Committee? Okay, with that, we are going to go ahead and close the hearing on <u>A.B. 342</u>, and we will open the hearing on <u>Assembly Bill 467</u>.

Assembly Bill 467: Revises provisions relating to local government. (BDR 20-133)

[Chair Kirkpatrick relinquished the Chair to Vice Chair Bustamante Adams.]

#### Vice Chair Bustamante Adams:

Go ahead, Ms. Kirkpatrick.

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

Thank you, Madam Vice Chair. I have four bills which make drastic changes to the way we do business with local governments. I think we ought to have discussions these days. We cannot just keep doing business as usual, as we have heard this morning. <u>Assembly Bill 467</u> is a bill that I came up with after getting the consolidation report back. That was <u>Assembly Bill No. 494 of the 75th Session</u>. I believe that each of you got a copy of it.

Although I understand local governments are upset, two years ago we asked them to look at things that they could do better together and to come back with a report. If any of you read that 495-page report, it told you everything they could not do. There was very little that they could do. I get that they are working, at least in southern Nevada, on a regional planning board to talk about things they can do, but we have been talking for a long time about doing this.

I was on a conference call with all of the local governments across the state. There were some elected officials, there were some lobbyists, and there were

some city managers on the phone. I said, "Listen, what are some things that we can be doing better together? What are some of the things that you guys are working on? What are some of the things that, going forward, we can improve efficiency on? Please give me back some information by the end of the week." This was probably on a Tuesday. Well, after the first week, I only got two responses out of all the people who were on that call. The next week was the deadline, which was well beyond the scope of my deadline for having my language turned in for committee bill draft requests. To this day, I have not gotten all of the information from everybody across the state. I think that is unfair. I am saying that so that the Committee knows that I have tried to work with local government to find things that we can do better.

I picked business licensing because we talked about it last time. We talked about it two years ago when we talked about streamlining the process so that people could get their businesses open and ready for business. One of the questions and concerns I brought up is—and I am going to use small businesses—if you own a pool company within Clark County, and you do business within other localities, you have to go get a license at every one of those. You may only have one customer in Boulder City, but you must get a license. You may only have two customers in Las Vegas; you must get a license. People are not opposed to paying the fees as much as they just want one-stop shopping. They want to be able to get their licenses for all of it. Think about the realtors out there. If they are going to sell homes throughout all of Clark County, they have to go get a license in each of those localities. Nobody is talking about fees as much as they are talking about convenience and efficiency.

The second part of the bill is zoning. I served on the Planning Commission for the City of North Las Vegas for four years. One of the things that was most challenging for both staff and for planning commissioners, as well as business folks coming to testify at the Planning Commission, was that the definitions were different. So, C-1 in one city was not the same as C-1 in another city. M-1, which is a high industrial use was not the same as something else, so we were not consistent. I think you heard that when I proposed a bill last Friday on residential facilities.

All I am trying to do here is to get the ball rolling. I gave plenty of time for them to start working together so that they can come up with a mechanism to get these folks licensed. The last thing we want to do is have people not go get a license, and then say, "Well, I did not know I had to get a license." It takes us a long time to find those people who are unintentionally violating the law.

As far as zoning requirements, streamlining the process as far as definitions, that is something that they had well over a year to work on. That is something that they have been talking about working together on for six years. We keep talking about it. It is the same conversation that we had earlier in this room today. Until you legislate some stuff, it does not happen. I realize that there are many entities that are opposed to centralizing business licensing. I get that. It goes back to turf. I am telling you that I have asked, and I have said, "Please get me some ways that we can do this more efficiently," and got nothing. I have put it back on them. We are now two days from a deadline. I have received amendment after amendment within the last two days. I have not had time to go through all of them. This Committee knows that we are working 16 or 17 hours a day. I know that Mr. Slaughter from Washoe County had a very good amendment that I thought was workable, but I would like him to come propose it. I do not even know if he is in the room. I just want to say that, as a Legislator, I try to do the right thing. I try to work with folks, but you cannot work if you do not have any tools to work with.

With that, Madam Vice Chair, I realize there is probably some work to be done on this bill tonight, but I wanted to put the facts out there because I always get a bum rap for being mean to folks and being mean to local government. Well, this is an instance where I am putting the truth out there. I have been trying to work with them for a very long time. No more. They are going to have to come and explain why they cannot do this. With that, I will take any questions.

#### Vice Chair Bustamante Adams:

Mr. Ellison.

#### Assemblyman Ellison:

I have many questions. Number one, when you are looking at incorporated and unincorporated cities in the rural area, they are hundreds of miles apart. Where you have an incorporated city, like, say Wendover and then Elko, there are two different agencies. There are two different building departments. Elko County does not, for its part, have business licenses at all. The incorporated cities do. But Spring Creek and its businesses and Jackpot and these others do not. Carlin has their own building department, they have their own inspections, and they have their own license department. It is a totally different cost. They are two different agencies, altogether. Wendover and Carlin would not mix at all. I have to buy business licenses in all these areas. I do not mind paying for the licenses, but if I went to start a business in Wendover, and I needed to get a business license, I would have to go all the way to Elko to get that business license. The County does not even have it, so where is it going to go?

I understand what you are trying to do, but I think that our area is so broad that it might create more problems, headaches, and paperwork than if it was not. Maybe you can answer some of them.

# Assemblywoman Kirkpatrick:

Thank you, Mr. Ellison. I get that the local governments and their rules differ. However, you know, back in 2007, Majority Leader Oceguera set up a Business Portal with the Secretary of State, which was modeled after the Commonwealth of Virginia, which they have had that in place for 50 years. It has been a good tool. You know, one of the things that happens is we can all continue to be in our own little neighborhoods and not worry about it, but, like you said, if there is a centralized place . . . . I mean, I am not even opposed to it being a Secretary of State's Office, where you can go and get all of those licenses. However, after four years, we are not much farther along on that process. So, we thought if we could expedite it on the local level, that eventually what took other states two years to accomplish, it is taking Nevada ten years. How can we continue to operate like that in business?

I understand driving to Wendover. That is one of the unique challenges that our state has. There are portions within the state that do not even have building departments, let alone licensing, let alone all of those other things. But if they do, it would be nice within that county if it was consistent. And I realize, as in some of our smaller counties like Nye County—there are a couple of different cities in there. If all of the cities were working towards the same . . . You know, this goes back to what we have been talking about—business coming to our state. Business comes to our state, and they look at the state as a whole.

What I really wanted to do here was to publish a book that we could hand out, such as we do with the film industry. We hand them a book. They can say, "These are the zoning codes in this city; these are the zoning codes in this county," so that we were somewhat consistent. But right now, you cannot even go from one entity to another without necessarily knowing what the rules are. The rules are changing on a constant basis. I will take myself, for instance. I live on a border. I am actually less than 200 feet from the border of North Las Vegas and Las Vegas. I am only a mile and a half away from unincorporated Clark County. So, when my own constituents call me, I have to literally figure out where they live to find out which city I have got to send them to in order to do some of those things.

I am not opposed to being open about discussing the rural areas, but I think that if Carlin is going to have a licensing department or business license or a zoning department we should be somewhat consistent. How do we expect people to do business in our state if we are not consistent? It goes to the arguments that

we have had with energy stuff. We are all over the map. There is no consistency, and that is fine if counties choose to be their own entity. You know, you have got to pay your own way. You have got to take care of your own stuff there, so I think that we just have to decide. And I thought of starting by giving them a year and a half to centralize some type of licensing. I know Washoe County has meetings all the time. I know the rules are working more towards economic development. We are not going to have somewhere to send them consistently. What happens if you are not available for you to send them there? They are going to get the run-around, they are going to get frustrated, and they are going to be gone.

I am open to working with you, but think as a whole state, we have got to decide. Are we going to start being consistent on terms? Are we going to start trying to license the other? That is why this says "cities within a county," so that the county itself could be flexible; because at the end of the day, the county works with those cities in order to generate business, in order to put things out there. I will give you the argument.

I had this conversation, at least in southern Nevada, with the local elected officials at a lunch in August of last year. So, it is not something I thought of overnight. I said to them, "You know, we need to start streamlining the process so people know what to expect. We need to start working better together. Let us see what you guys are doing together so we can help promote that." I also talked about the consolidated tax because that is always a big concern. Oh, my gosh! Who is going to get more money if the business opens in this city and not that city? And I said, "It does not really matter, because at the end, we go and we divide it up." So, whether it is me in North Las Vegas who opens a business or me in Las Vegas who opens a business, we still all gain from that business. Granted, for ten years we grew really fast. We did not have time to go back, but we have got to figure out some things that we can do better, and I will tell you that none of your cities gave me any information.

#### Vice Chair Bustamante Adams:

Mr. Ellison.

#### Assemblyman Ellison:

For the follow-up, I will give you an example. I had problems last year trying to license one of my businesses with the Secretary of State. This year was ten times worse trying to get my license with the Secretary of State, and all I was trying to do was renew it. So, trying to get that renewed, I had my office for hours and hours—for days—trying to get it renewed before it lapsed because there is a penalty. The numbers are no good on the cards there. They put it under my name versus the name of the business, so it was complex.

We finally got them done, finally sent the \$200 in for the different businesses, but it was a disaster just trying to get that paid. I hope you do not use the Secretary of State as an example.

## Assemblywoman Kirkpatrick:

That is why I used local government, but I think we have got to start somewhere so that we can expedite the process, so I respect that.

#### Vice Chair Bustamante Adams:

Mr. Anderson.

## **Assemblyman Anderson:**

Thank you, Madam Vice Chair. I just want to make a quick comment. I think this is an important concept to look at. We have had a lot of discussions this morning about why business does or does not come to the state. I would submit it is because there is a lot of uncertainty, whether it is with what we were talking about this morning, or whether it is with this. We had discussions about how local government could have different conditions to bring renewable energy into the state. We have got to be in line with our economic development goal. We have to be in this together, and we have got to make a plan that makes it easier for business to do business. We have a tax structure that swings wildly from biennium to biennium and makes the budget have shortfalls. We have got to give some certainty, and I think that this is a step in the right direction.

#### Vice Chair Bustamante Adams:

Thank you, Mr. Anderson. With that, we are going to go ahead and move into the neutral position. Those in neutral for <u>A.B. 467</u>, if you could please make your way down. We have four chairs. Mr. Slaughter, we are going to start with you.

## John J. Slaughter, Management Services Director, Washoe County:

Thank you, Madam Vice Chair. We have taken the liberty of consolidating our testimony. Mr. Driscoll is going to start off with a brief discussion, and then I will get into the specifics of the amendment, if that is okay with you.

## Stephen W. Driscoll, Assistant City Manager, City of Sparks:

For our discussion, I am part of the Shared Services Elected Officials Subcommittee of the four local government agencies in Washoe County that work together and meet on a quarterly basis on this very topic. We have taken to heart consolidation and efficiencies and mergers for more than a decade, and

we currently have over 60 activities that we reported in the 494 Report to the Chair on the things that we are doing together in one fashion or another.

Currently, the Shared Services Committee is looking at the consolidation of information technologies, human resources, and purchasing. Building permits and building licensing are the next two topics that are actually underway. I just want to touch on the business licenses. Currently, between Washoe County, the City of Reno, and the City of Sparks, we use the same software product. The three agencies have designed the same information-gathering application so that one business fills out the same information for all three jurisdictions. We currently are working on the differentials between the types of inspections and the types of licensing that are required in each of our jurisdictions to come to a level of commonality. When that is finished, the next step we are working on is how to process a one-stop shop where a business could come in to one or more locations, and then how would we process that information.

We have taken to heart what the Chairman asked us to do two years ago, and this project is on the verge of being completed. We just have a little bit more to go, and we will be done quickly. With that, I am going to turn it over to Mr. Slaughter so he can explain the amendment in that context for the Committee.

## John Slaughter:

Thank you, Madam Vice Chair. The amendment (Exhibit K), I believe, is on Nevada Electronic Legislative Information System (NELIS). It really does three things. There are two main things that it does. First of all, it maintains the intent and the requirement of the bill to establish a centralized licensing office. And then, it provides and allows some flexibility on how we actually meet that requirement. If you want, I can go through the various sections.

Under section 1 of the original bill, in the amendment I have added subsection 1(a) and subsection 1(b). Under subsection 1(a), it expresses that we will establish cooperatively with each of the cities, the county, and any other jurisdiction the centralized licensing office. That licensing office can be located either in an unincorporated area or within one of the cities, and it can be operated either by the county or by one of the cities. It may make sense that either Reno, Sparks, or Washoe County operates the licensing offices. We have not determined that yet.

The second portion of subsection 1, paragraph (b), deals with the funding and basically says that we will cooperate with one another and determine how the funding works, how we portion out that funding.

I then repeat that in section 2, which, in the original bill deals with how the cities are involved in the centralized licensing office. This repeats some of the same language for the city. In section 4, because we are also including unincorporated towns, I have mimicked that again for their involvement. I would note that in Washoe County, we have no unincorporated towns. We are just dealing with the county and the two cities.

The final thing that I have done, in section 8, is to extend the effective date by six months to January 1, 2012, to allow us to work through this. Also in part, as many of you probably know, local governments are facing fairly large fiscal and service impacts of this session, particularly from the Governor's Budget. We have a number of other services that are coming our way that we are going to need to plan and implement, so we have added that six months to the process. I will be happy to answer any questions.

#### **Vice Chair Bustamante Adams:**

Are there any questions? I see none. Cadence, we will move to you.

## Cadence Matijevich, representing the City of Reno:

Mr. Slaughter and Mr. Driscoll have done an excellent job. I am lucky to have them as colleagues. They have summarized things for you. I will just say that you heard testimony from us on another bill relating to consolidation of certain services, and the City of Reno is not opposed to consolidation. Mr. Slaughter's amendment gets to the intent of the Chair's bill but does not predetermine the method by which we get there. With that, we register the City's support for this proposed amendment. I am pleased to answer any questions.

#### **Vice Chair Bustamante Adams:**

Thank you very much. Seeing none, we will move to Mr. Murphy.

#### P. Michael Murphy, representing Clark County:

I have a few issues. We are in neutral, but at the same time, I want you to know we support the concept. We have worked together for quite a while in the south to try to bring the players together for the purpose of being able to make this happen. We recognize how much of a challenge it must be for businesses as they navigate across the valley in all of the different jurisdictions to ensure that they have all of the licenses that they are supposed to. So, we understand that.

We also think that the way we can make this work is to work with the concept of a general pass-through of funds, but we also understand that we are not quite there yet. I believe Mr. Vincent will be addressing some of those concerns and some of the specific challenges that we have. We think that it is, in fact, a

privilege to work with our partners in the south and that our local government partners are willing to work with us closely. At the same time, we think that this can be done as a result of general licensing and not necessarily the privilege licenses that have to be granted by those local jurisdictions.

With that, I would tell you that there is a fiscal note that has been attached to it of \$1.5 million of what we think it will take for us to make that happen. I would advise you that we believe that is a cost that can be recouped during the approximately 18- to 24-month period where it would be put into place. I will answer any questions if you have them.

#### Vice Chair Bustamante Adams:

Are there any questions from the Committee? Mrs. Benitez-Thompson.

## Assemblywoman Benitez-Thompson:

Can you talk to me a little bit more about what that fiscal note incorporates? Talk about recouping it and the time frame between the expenditure and the recoup.

## Michael Murphy:

Those are implementation costs specifically geared toward the computerization process and programs that would have to be written so that we could accept the licensing fees and distribute them to the appropriate places. So, they were in reality administrative costs in reference to the computerization process.

The concept has never been that anyone would make any additional funds off of this, but we believe if we were going to move forward with this concept that any costs that were incurred by any of the governments should be recouped appropriately by the fees collected to offset the expenditures.

#### Vice Chair Bustamante Adams:

Mr. Murphy, I know one of things that I have appreciated the most is seeing how our Chair tries to really work with the local governments. In her communication to get ideas and solutions on how local governments could improve and become more efficient, was Clark County one of the individuals that turned in a report to her?

#### Michael Murphy:

I can only address what I have turned in to her. In the last week, I did submit to her a bulleted document that indicated those things that we had worked on in reference to consolidation. I cannot address what was provided to her prior to that.

#### Vice Chair Bustamante Adams:

I see no other questions. We will continue on neutral for <u>A.B. 467</u>. If we have anybody down south that would like to testify in neutral, please move to the table. State your name for the record.

## Nicole J. Lamboley, Chief Deputy, Office of the Secretary of State:

I am here to add our support to anything that involves bringing other governments into the Nevada Business Portal, which was created during the last legislative session and will be unveiled later this spring. I would like to put on the record that we are working closely with many local jurisdictions to bring them into the portal, but I do want to remind the Committee that a currently paper-based process will not be improved by bringing them into the portal. The portal requires that current services be online. So, we have been working diligently with the local governments to figure out ways to automate their current paper-based process so that they can participate in the portal.

Secondly, with the portal, there is a mechanism that will allow all the transactions to occur through a one-stop shop whereby the customer will be able to transact its business with multiple governments and go to a single, unified shopping cart, much like you do with < www.amazon.com>, where you can purchase a book, a DVD, or a video from multiple sellers from around the country and check out with a single credit card transaction. I would be happy to answer any questions about the business portal, but we just wanted to put on record that we support any efforts that bring more governments into the portal atmosphere.

#### Vice Chair Bustamante Adams:

Are there any questions from the Committee? I see none. Thank you for your testimony.

## Jeff Fontaine, representing the Nevada Association of Counties:

We are neutral on the bill, and we certainly understand and support the concept of making this process more consolidated and streamlined. Our concerns relate to how this process might work in some of the rural counties where you have cities that are dislocated from the county seat. Elko County comes to mind, where you have Wendover, Wells, and some of those communities. Those are cities. So, we just wonder about how this process might work and whether or not it is really going to be more efficient to do it the way it is proposed here in A.B. 467. Thank you.

#### Vice Chair Bustamante Adams:

Thank you. Are there any questions? Ms. Flores.

## Assemblywoman Flores:

It is more of a comment. It seems to me that if we centralized and worked with the portal, it would be much easier for those folks to be able to do all of their business where there is access to a computer.

## Vice Chair Bustamante Adams:

Thank you. We will move to the opposition. Are there any in opposition here in Carson City? I see none. We will take your testimony, sir.

## Mark Vincent, Chief Financial Officer, City of Las Vegas:

I would like to say that we are not opposed to centralization of the licensing process, but we do feel that the bill introduced by Senator Lee, <u>Senate Bill 110</u>, is a better vehicle to get us there. I would like to explain a little bit why that this is.

First of all, when <u>A.B. 494</u> came out in February of last year, local governments did put together a license workgroup, and they have been meeting for over a year. I recognize that it seems like an awful long time, but there are a lot of issues that we had to deal with procedurally to align our licensing processes before we could ever begin talk about the technology that would be needed in order to facilitate that.

We are not opposed to it; we do support it, but we think  $\underline{S.B.\ 110}$  is a better approach. When we testified in Senator Lee's committee, we had the Nevada League of Cities as well as Las Vegas Chamber of Commerce supportive of  $\underline{S.B.\ 110}$ . So if you will, let me take a little walk down some of the issues that we are trying to deal with and that we worked through on  $\underline{S.B.\ 110}$ .

First of all, one of the things we deal with is only about 70 percent of our license categories are even aligned among the different jurisdictions, and there are multiple reasons for that. As you can imagine, down south in some cases we have communities that do not want certain licenses like gaming. There is a city that has decided it does not want to have gaming. There are some things that are not exactly aligned. I think Mr. Murphy mentioned privilege and regulated categories. These are categories that typically involve police investigations or background investigations. As to which police department we would be working with to do those investigations, whether it is the Henderson Police Department or the Las Vegas Metropolitan Police Department, those are issues that we needed to work through.

In many cases, even outside the regulated and privilege license categories, even in the general categories, oftentimes those may require special use permits because of land restrictions, or our individual boards may want to put

restrictions on the operations of those businesses, be it hours or security requirements or a multitude of things. That is a fairly common event at our board hearings. There are some minor issues to do with the fees and the timing and the units of measure, and our lengths of those license categories. I think those can be worked out pretty well.

Probably the biggest issue that we have is the land usage and zoning issues. Nobody wants to issue a license to a business that is not properly zoned. There is a process that we all go through to get there. I might add, by the way, that the licensing process oftentimes, particularly for new businesses, is the tail end of the dog. Businesses typically have to renew, get entitlements for their development, and they have plans. They may have building inspections to ultimately get their permits. There are fire inspections. And then they get licensed. The license is usually the last thing to happen in that process.

With respect to zoning, I understand that maybe as much as 60 percent of our zoning codes are not aligned properly or consistently between the jurisdictions down south. So, the issue is not so much a licensing issue as it is a land use issue. Again, I will go back to the discussion about how there may be certain communities or boards that want certain types of businesses to be zoned differently than in other communities or not at all, as is the case with Boulder City and gaming.

With respect to issuing a license once we get past our local land use issues, there are a whole series of conditions that have to be met before local government can even issue a license, not the least of which are a certificate of occupancy for the building, fire permit approvals, Department of Taxation approval, health district permits for food servers and preparers, and perhaps state board or commission licenses for certain license categories. There is a Secretary of State license. In some cases, we have industrial waste permit issues. All those things have to be gone through, based upon where the business is physically located, before the license could be issued.

I think I mentioned the technology issue. When we met with Senator Lee on his bill, <u>S.B. 110</u>, we tried to build upon the work that the working group has already accomplished. It was their recommendation that we identify the most obvious categories of licenses that would be easier to do centrally. Those are businesses whose physical locations are contained all within one jurisdiction, so they are dealing with one planning commission, one set of building permits, one building inspection, and the like. Once they satisfy those physical requirements for that jurisdiction, if they wanted to do business in other locations—whether it be perhaps a contractor, which is the case of S.B. 110, but it could even be a

flower shop or a security firm—that they could then pay for those multiple licenses in a one-stop fashion.

Centralization is a very complicated issue, and we think the path into that is measured, and should be focused primarily—at least initially—on what we call these multijurisdictional licenses that have a physical location in one particular jurisdiction. We think that would be the first step that we could implement.

#### **Vice Chair Bustamante Adams:**

Thank you for your testimony. Did the City of Las Vegas provide the information that the Chair had requested?

#### Mark Vincent:

Yes. I believe we were one of the first agencies that responded to Chair Kirkpatrick.

#### **Vice Chair Bustamante Adams:**

Thank you so much. Are there any other questions from the Committee? Are there any closing comments by the sponsor of the bill?

## Assemblywoman Kirkpatrick:

I just want to point out a couple of things. Nowhere within this legislation does it dictate how they would do the process. For one, I was very open-minded to letting them start the process on their own without the Legislature dictating it.

I am not asking them to zone things the same way as much as I am asking them to have the same terminology. I watched a certain guy take 54 days just to get through the process to find out he could not even get a license because he was in the wrong area. He was a little guy trying to open up a pallet recycling place. It ended up taking him 187 days to open up his company, which, by the time it opened, the boom and bust of the recycled pallets came and went. Had he gone to a different city or location, and had we helped him do that, he might be in business today.

I do not think that I am telling them how to zone, because I think each city is unique in its ways. But some of our definitions should be somewhat similar.

#### **Vice Chair Bustamante Adams:**

Thank you, Madam Chair. Did I miss anyone down south in opposition to A.B. 467?

### Brok Armantrout, Director of Community Development, Boulder City:

You did. We are here to also oppose  $\underline{A.B.}$  467, but we, much like Las Vegas and the others who spoke, agree that consolidation in a fashion similar to

<u>S.B. 110</u> would be more feasible and work for us where we could rapidly proceed.

Our position is more in lines of geographical separation from the county seat. Boulder City is roughly a 30-mile round trip to the county offices for those who need to apply for a license under this bill. It could pose an additional burden and cost on our businesses that desire to license. Instead of coming one mile to our city offices to get a business license, they find themselves going downtown, doing a 60-mile round trip to get that same license. I can only feel for those people in Mesquite who would have to do something similar, where they may be doing a 160-mile round trip to get a license, and then find out once they show up at the county offices, "Oops, I forgot something," and then have to return the following day.

I am glad Assemblywoman Kirkpatrick clarified that her intent on zoning standardization was not that we all have similar zoning regulations, but zoning definitions. That I fully support.

Because of the way zoning evolves, ever since the early 1920s in the United States, definitions vary from community to community only because they do not know better, and they come up with what they know. If we had something consistent in the Las Vegas Valley, Clark County, and perhaps even the state, it would make it a lot easier to understand what we are regulating when it comes to an alcohol package agency, a day care center, or things along those lines. I will hold for any questions.

#### Vice Chair Bustamante Adams:

Are there any questions from the Committee? Okay, thank you so much for your testimony. I appreciate it. We have one last person.

#### Mike Cathcart, representing the City of Henderson:

We want to concur with the City of Las Vegas that we believe the multijurisdictional licensing effort will be successful. We are signed-in in opposition of this particular bill, but we do support the concept of moving forward and working together with all the other jurisdictions in Clark County and in using the multijurisdictional licenses for contractors as essentially a "beta" program to move forward with more similar licenses like that in the future. Thank you.

#### **Vice Chair Bustamante Adams:**

I think the people in the south keep populating there. I think we have one more person. Are there any other individuals in that room that would like to testify in

opposition? I see one person at the table, but are there any others? Sir, you will be our last testifier. Please state your name for the record.

# Alfonso Noyola, Acting Director, Administration Services and Finance, City of North Las Vegas:

We also would like to go on record that, although we do not specifically oppose the notion of consolidation, we do support <u>S.B. 110</u>. The group in southern Nevada has been working very closely over the last year or so in trying to come up with consolidation effort for business licensing, and we support the testimony already given by the City of Las Vegas that, as we move forward, we do so responsibly. Thank you.

#### Vice Chair Bustamante Adams:

Thank you. We are going to go ahead and close the hearing on <u>A.B. 467</u>. I know we have three bills left, but we are not going to be able to hear them all. I will let Madam Chair tell me which one she would like to present.

## Assemblywoman Kirkpatrick:

Madam Vice Chair, I would like to do <u>Assembly Bill 471</u>. I know that we rolled <u>Assembly Bill 468</u>, but I think that it is going to take more than 20 minutes, so <u>A.B. 471</u> is the enterprise funds bill.

#### Vice Chair Bustamante Adams:

With that, I will open the hearing on <u>A.B. 471</u>. Chairwoman Kirkpatrick, please proceed.

Assembly Bill 471: Revises provisions relating to enterprise funds. (BDR 31-915)

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

Thank you, Madam Vice Chair and Assemblymen. Today, I am here before you with the enterprise funds. This Committee has heard a lot about enterprise funds. We have heard different things on how they were put into statute and how they are supposed to be used. An enterprise fund, which is defined within the statute, is to be used for a specific purpose, and it is to be collected for a specific purpose.

We have seen that enterprise funds are used as transfers throughout many different avenues within local government. Local government has the ability to transfer them into their general funds, so local government has the ability to use them for wages and the interest that is on them. There is a wide variety of how the enterprise funds are being used. I will tell you as a constituent, when there is an enterprise fund, I believe that those dollars are supposed to be used for

utilities, infrastructure as is stated within the statute. However, I can tell you that as local governments tend to borrow this money or move it to another portion of the district, the ratepayers, their dollars increase. So, after spending time listening to local governments, I get that at this point we cannot stop them from using enterprise funds as they are doing, because it will put some of our cities in a severe financial situation. I get that. However, I am working on an amendment, because if you are going to utilize the funds out of the enterprise fund, you cannot raise any fees until those funds are being used solely for the purpose they were collected.

If you have a water or sewer bill, you are expecting that those dollars are going for that. You are not expecting that they are being transferred. I will tell you that I completely understand about cost allocation because there are certain services that have to be funded based on that, but I do not believe that you can justify a \$35-million transfer to one particular portion of the General Fund, when, as a constituent, my rates are rising. That just does not work for me.

I am going to propose six pieces within my amendment. One: They have to put a freeze on the fees that are being collected if the money is not going for that use.

Two: They have to do a public hearing, designating specifically where those dollars go. So, if you are using the dollars within your general fund for public works or transportation, we, as the general public, should be able to see those funds. Because we, as the public, are paying our utility bills, which we believe those funds are going for, so we would like it justified.

Three: In order to wean local government off from the use of enterprise funds, I do not believe that they should be able to go out and get any future obligations with those. I understand that they may be committed at this time for up to the next eight to ten years, but I do not think that they should be able to go out and take those funds and transfer them for a longer-term purpose. They currently submit a copy of their statement to the local government finance board. However, the Legislature does not see that. I would request that the Legislature be able to get a copy of that, because I think that if there are some bad actors out there that are using this as a slush fund, they will stop the process. However, I understand that, with the financial times, we cannot pull the whole cart out from underneath them. I also understand that within the law, it is not clear that you cannot transfer these monies from one account to the other. I also understand that it does not require you to pay it back. However, I do not believe that that was the intent way back in the early 1990s when this legislation was put into place.

I can tell you over time that there has been a lot of funny business with legislation on amendments that were put into statute that allowed different things. I can tell you that there have been some definition changes over time, but I believe that now we need to set the course so that enterprise funds are to be used for the use that they were collected for. That is the understanding of constituents, and I want to make it very clear what my intent is. It is just that if you are going to collect and raise fees—and I think we have said this before in one of these committees—the rates keep going up, and you keep transferring this money to pay for something else. That is not illegal, which is disgusting to me. As a ratepayer, I thought I was paying for one thing, and instead, I am paying for a whole bunch of other stuff.

I am working on an amendment with the Legal Division. We were trying to draft it at about 1:30 last night. We did not get it finished, so I would like the opportunity to give it to the Committee later on this evening so you can review it, but I will tell you that there is a real issue with enterprise funds within our state. The smallest and largest cities are using them in a way I do not believe the constituents were expected to. With that I will take your questions.

#### Vice Chair Bustamante Adams:

Are there any questions from the Committee? Ms. Neal.

## Assemblywoman Neal:

Thanks, Madam Vice Chair. So, let me just get this straight, because we have talked about this before. I want to know the full ramifications because we talked about my water bill, which went from \$16 to \$50, and I did not necessarily change my usage. What is happening inside of that bill? How are these fees being spread around? I know what I have seen, but just kind of put that out there for me.

#### Assemblywoman Kirkpatrick:

Ms. Neal, I will tell you they are being used for all different kinds of things. They are going into the General Fund. Some of it is being paid for operating expenses. However, how do you continue to justify this? There are some that are being used for capital improvement projects. I understand all of that, but at the same time, it is not clear to the residents such as yourself. When your rates keep going up, you do not really see any changes in the service that you were provided. If you look up the definition within statute, it is very clear that you are being provided a service. So, am I to be assuming that I am being provided an additional service from what I am already paying for public works, police, fire, and capital improvements? I do not mind paying my fair share, but an enterprise fund was not meant to be part of the General Fund. It was meant to be for a use that the constituents were paying for.

I do not want to call any one area out over another, because it is across the state. It is in the smallest areas. There are examples. I am happy to show anybody in this room what their city or their area may be doing. I do not think it is fair to do that, but I will tell you that it is very unclear within the statute what it was intended for. I believe the original intent was to provide that service.

#### Vice Chair Bustamante Adams:

Thank you very much. Seeing no other questions, we are going to go ahead and move into the neutral position for <u>A.B. 471</u>. We have four seats down here in Carson City and two up there. Is there anyone down south in the neutral position for A.B. 471? Please state your name for the record.

## Mark Vincent, Chief Financial Officer, City of Las Vegas: [Mr. Vincent presented a proposed amendment to A.B. 471 (Exhibit L).]

We are neutral on this bill, but there are a few things that I thought would be helpful to clarify. There are certain situations where the enterprise funds may be paying for services rendered. I can give you some examples. There could be a situation where our sanitation enterprise fund needs to repair something, and because of scheduling or resources or what have you, it needs to utilize personnel out of our operations and maintenance group, which is not part of the sanitation enterprise fund to go repair something. In those cases, we direct bill those labor costs back to the enterprise fund because they received that service. The way I read this bill, I did not interpret that the bill would prevent that sort of direct charge.

Also, in the City of Las Vegas, we pool certain government services costs. In the private sector you would call these general and administrative costs. For us, it is things like the legislative body itself, the manager's office, finance, human resources, information technology, communications, the city clerk, and those sorts of things. We pool those costs, and we allocate them on our entire programmatic labor base. In our case, enterprise funds pay a share of their ratable share, based on direct labor dollars for that general government allocation. The way I read this bill, I do not see it preventing that. Again, these are what we consider payment for services.

There is a third category that I think we might also need to think about, and I do not know that bill prevents that. Maybe Assemblywoman Kirkpatrick can clarify. Oftentimes when we create enterprise funds—the last time Las Vegas did that was, I think, in 2001 when we created the Building and Safety Enterprise Fund—we provide general fund money as seed money for working capital for that fund. When that fund got to the place where it could repay that

back, they did so. I do not think the intent of <u>A.B. 471</u> is to prevent that sort of a transaction where we are providing seed money for an enterprise fund, which they pay back later. I think those are just clarifications that I did not think this bill as proposed would affect.

I would like there is regulation the to suggest that current Nevada Administrative Code (NAC) that does provide for local governments, or any government, to borrow money from one fund for the purpose of another That is typically covered under *Nevada Revised Statutes* (NRS) fund. 354.6118, but also in the municipal obligations section under NRS 350.087. There is an NAC, which is 350.150, that does provide a requirement that if one fund is going to loan money to another fund, and it is not going to be paid back within 12 months, that they would have to comply with the medium-term obligations statutes section, which is generally NRS 350.087 through 350.915, I believe. I may be wrong. I think the purpose of the loan provisions that currently exist, and I agree with Chair Kirkpatrick that the presumption here is that they get paid back. It does not make sense to loan money and not pay it back. But the presumption here, I think, is that in some cases, because some of these enterprise funds their cash needs are not always linear. A fund like a sanitation enterprise fund has very sporadic capital requirements, and at times they have cash that they need down the road but they do not need today. It seems to me that to loan it to another fund with a stated interest cost that has been publicly heard at a hearing with a resolution, a loan document setter, a resolution that is ultimately approved by the Department of Taxation, that that is a cheap way for the local government to finance some other need. It would be far cheaper than going out for a bank loan or a medium-term bond issuance with the associated costs of a bond counsel and financial advisors. In this case, if there is a stated interest and there is a loan document and it will be repaid, then I would argue that the enterprise fund is not really losing out on anything; they are just loaning out resources they have temporarily and that will be paid back at a future date. I think the current provisions in NRS that allow for that are probably adequate and should be maintained.

#### Vice Chair Bustamante Adams:

Thank you. Are there any questions from the Committee? Seeing none, we will go to the next person down south.

## Alfonso Noyola, Acting Director, Administration Services and Finance, City of North Las Vegas:

Madam Vice Chair and members of the Committee, the bill in its current form would create a serious negative fiscal impact to local governments, such as the City of North Las Vegas. I am glad to hear that Madam Chair has recognized a potential impact of this bill.

We have proposed a suggested amendment to A.B. 471 that would read, "Payments would be allowed to the general fund that are made pursuant to a schedule or formula approved by the local governing body prior to the effective date of this provision" (Exhibit M). The intent of this amendment is that there are local governments, including the City of North Las Vegas, who have relied on enterprise funds to provide payments in lieu of taxes as payment to the general fund to compensate for its services that the enterprise fund receives from either the employees or functions of the city. These particular services are outside of the enterprise fund. You have already heard some of them as an example—the human resources department, finance department, IT, legal, so forth, and so on. Our city makes public those payments and that they would be done in accordance to the schedule or formula that has been approved by the governing body. With that, I would take any questions that you may have.

#### Vice Chair Bustamante Adams:

Thank you so much. Seeing no questions, we have one more person down south that would like to testify in neutral. Please proceed.

## Brok Armantrout, Director, Community Development, Boulder City:

I had originally signed in as opposed, but after hearing the Chairman's proposed amendment, we have changed our position to neutral. We would like, if she would be willing to consider, adding on to clarify that the cost allocation would be an allowable expense and to clarify that the freeze on fees would not necessarily apply to a pass-along cost. Boulder City operates its own electric utility. In the current volatile market, where we occasionally have to buy outside Hoover Dam, our rates fluctuate from time to time to recover those costs. If our ability to purchase power from a third party to sell to our residents increases by a penny or two, we would like to be able to pass along that cost. We certainly understand that we should not be increasing our fees to cover shortfalls in our utility funds because we transferred a larger amount. Boulder City operates on a cost allocation-type model, where we provide services to the various utilities and recover those costs through charges to those different utilities. Boulder City is now neutral on this bill.

#### Vice Chair Bustamante Adams:

Thank you for your testimony. Seeing no questions from the Committee, we will move down to Mr. Musgrove. If there are any other individuals down south that would like to testify in neutral, please head to the table.

## Dan Musgrove, representing the City of North Las Vegas:

While Mr. Noyola already testified, I just want to thank the Committee for the opportunity to come up and just follow up with a couple of items.

I want to personally thank the Chair of Government Affairs for the discussion that we have had about this bill and the recommendations that she made today in terms of her new amendment. We will look forward to seeing it and working with her on it. I think she put it very aptly, in that local governments need to wean themselves off this, and we acknowledge that and want to do what is in the best interest of our constituents and our ratepayers. We will endeavor to do that with the help of the Chair and this legislative body in giving us an opportunity to transition into the goals of her new bill when she is done with her amendment. I just want to personally thank her and let the Committee know that it is our intent, especially under these tough economic times, to put ourselves in a position where we are doing what is in the best interest. Thank you.

#### Vice Chair Bustamante Adams:

Thank you, Mr. Musgrove. Seeing no questions, we will hear the next person.

## Mike Cathcart, representing the City of Henderson:

I just want to say that we, too, use a cost allocation model for our enterprise funds but that we have always managed our enterprise funds in conformance with NRS and nationally recognized accounting standards. I also want to quickly address Assemblywoman Neal's question about raising rates.

Typically, in the City of Henderson, when we have a rate study in regard to our water or wastewater utility and rates are increased, that rate study has taken into effect capital improvement projects that may be 10 or 20 years down the road. Providing clean water and wastewater services for the future is part of the current rate structure that you pay in your water and wastewater services. We are looking at a 30-year capital improvement plan as well to make sure those services continue. Thank you.

#### Vice Chair Bustamante Adams:

Thank you for your testimony. Are there any others in the neutral position for  $\underline{A.B.\ 471}$  down south or here in Carson City? We will then move to the opposition on  $\underline{A.B.\ 471}$ . Is there anyone here in Carson City in opposition? Cadence, you are on.

## Cadence Matijevich, representing the City of Reno:

Thank you. I am here to advise the Committee that the Reno City Council did vote to take a position of opposition to this bill. That vote was on the premise that local government should have control over their local finances. I think Mr. Vincent gave you some examples of where these types of loans or transfers may be appropriate. That is the position of our Council. With that, I would be pleased to answer any questions.

#### Vice Chair Bustamante Adams:

Are there any questions from the Committee? I see none. Are there any others in opposition of  $A.B.\ 471$ ? Oh, are you in opposition or neutral? Or support? We have not done other support.

## Carole Vilardo, President, Nevada Taxpayers Association:

I am very supportive of this bill for a number of reasons. I probably would not be as kind as the maker of the bill in offering some of the amendments she was proposing to offer.

The intent of allowing enterprise funds by a local government is that for a specific service provided—landfill, water, a sewer system, building and grounds, an airport, whatever you do—that you are going to establish fees to support that service. If you look in statute, it speaks to an enterprise fund being like a business. So, you establish the fee to support the business, and if you are generating too much revenue, then I think you have an obligation to reduce that fee. If you are not generating enough revenue, as has been discussed, you increase the fee.

I have looked at enterprise funds because I think they are very valuable to a local government. I think they should, under the circumstances of which most people understand enterprise funds, be a protection for the taxpayer. Unfortunately, for longer than I can count, and not just in this economy, they have become financing conduits. The person who pays the fee does not have a clue what is going on. We had a recent example of a local government in spring of 2010 that deliberately raised by a specific amount landfill fees, water fees, and sewer fees with the express purpose of transferring the revenue generated by those increases to their general fund. That is not the purpose of an enterprise fund.

I can appreciate that there will need to be some amendments on this, because unfortunately we have got some governments that have become so locked in to these transfers, that to suddenly stop them the state would probably have to take over some of their responsibilities.

I urge you to think about what an enterprise fund is and its purpose. If there is any section in the bill that I would not have a problem being changed, it was the penalty for violating the enterprise fund. It is in section 9, page 4, starting on line 24, and it reads, "Any officer or employee who willfully violates . . . is guilty of a misdemeanor and upon conviction . . . ceases to hold his or her office of employment." I like penalties. We live with them constantly, relative to business. If you do not do this, if you do not do that . . . . I think what is good for the goose is good for the gander, but in a situation like this, you could

have three or four officers who may not have been totally aware of what was going on, or staff people operating at the direction of one officer. But then you have got to go proving this, and you have got this blanket authority. I appreciate the penalty, but I think maybe something a little softer, if the sponsor of the bill would consider doing something like that with her amendment.

I had a problem and concerns with some of the amendments proposed by the City of Las Vegas. I know it has been a long day for all of you, so I do not want to go into it. I am happy to—if there are any questions about the amendment and where my concerns are—discuss them with you. But at this point I would say you have the basis of a good bill that is a taxpayer protection bill. I realize there will have to be some amendments that are probably broader than I would like to see, but I urge you to look positively on that and on this legislation.

## Vice Chair Bustamante Adams:

Thank you, Ms. Vilardo. Ms. Benitez-Thompson has a question.

## Assemblywoman Benitez-Thompson:

Thank you, Madam Vice Chair. Ms. Vilardo, thank you for going into the definition of enterprise fund, because starting this out, I was not quite sure what the actual definition was versus what it connoted in my head. It is a fee for service by the government. So, a lot of the local governments talked about the fact that money would be borrowed from these funds. Someone said the presumption is that the money is paid back. Has it been your experience that money borrowed from this fund has been paid back?

#### Carole Vilardo:

Unfortunately, in all of the cases I know of, no money has been paid back.

#### Assemblywoman Benitez-Thompson:

Along those same lines, is the case out there that if the rates are going up because this money is being loaned to other places but not coming back, those rates are not then dropping for the ratepayer?

#### Carole Vilardo:

That is correct, and that is one of the concerns. If you are really looking at this, you evaluate those rates periodically—maybe annually, maybe biannually. When you evaluate them, if you have sufficient funds—granted some of the funds such as landfill, sewer, and water have to have capital that it requires from those funds, but that does not mean that you turn around and lend it without some sort of payback provision. So, yes, there should be payback provisions,

but, where you have sufficient money in to cover your capital, then you lower the rates. It is simple.

## Assemblywoman Benitez-Thompson:

As my last follow-up, what is the check and balance to know if those loans are being paid back? I guess with this legislation it would change, but if it did it under the status quo, is there any way for the public to know if dollars being loaned from enterprise funds are being paid back?

#### Carole Vilardo:

To the best of my knowledge, no. Unless an entity is conscientious enough to accept that they are making a loan and put that for approval before the council or commission, you have no records. What I am hoping for in the amendment is that we will speak specifically to interfund loan transfers and payback provisions and the authorization required for those to be done.

#### Vice Chair Bustamante Adams:

Thank you, Ms. Vilardo. Mr. Ellison, one of those three was not your question?

## Assemblyman Ellison:

Mine is going to be real short. I have been working with enterprise funds for about 20 years, and I guarantee it was a tool; and it is what the public wanted for capital improvements and expansion. It also covered depreciation, but it was not set up as a bank.

I like some of the amendments, but they are going to have to be narrowed. One thing that was not mentioned was depreciation. That money can stay in there as a depreciation schedule. The other thing that should have been put in there is any money that should have been borrowed should have been put back into that capital improvement with an interest rate comparable to what they did by bonding. Thank you.

## Vice Chair Bustamante Adams:

Thank you, Mr. Ellison. With that, are there any others in support? Then we will go ahead and ask the bill sponsor to come back up for any closing remarks. She has none. With that, we are going to go ahead and close the hearing on A.B. 471. Do we have any public comments? [There were none.] We will do those other bills at another time.

Assembly Bill 257: Revises provisions relating to the Open Meeting Law. (BDR 19-107)

[This bill was not heard.]

Assembly	Bill	<del>468</del> :	Revises	provisions	relating	to	redevelopment
(BDR 22-1118)							

[This bill was not heard.]

Assembly Bill 469: Revises provisions governing public property and purchasing. (BDR 27-678)

[This bill was not heard.]

With that, then, we are going to go ahead and adjourn the meeting for Government Affairs, and we are meeting tomorrow at 7:30 a.m.

[The meeting was adjourned at 1:27 p.m.]	
	RESPECTFULLY SUBMITTED:
	Cheryl Williams Recording Secretary
	RESPECTFULLY SUBMITTED:
	Jeffrey Eck Transcribing Secretary
APPROVED BY:	
A a a malah managan Manihara Katikatan Katikatan Cirila	_
Assemblywoman Marilyn K. Kirkpatrick, Chair	
DATE:	

## **EXHIBITS**

Committee Name: Committee on Government Affairs

Date: April 12, 2011 Time of Meeting: 10:33 a.m.

Bill	Exhibit	Witness / Agency	Description		
	Α		Agenda		
	В		Attendance Roster		
A.B. 402	С	Susan Scholley	Work Session Document		
A.B. 404	D	Susan Scholley	Work Session Document		
A.B. 422	E	Susan Scholley	Work Session Document		
A.B. 466	F	Susan Scholley	Work Session Document		
A.B. 342	G	Assemblyman Paul Aizley	Prepared Statement		
A.B. 342	Н	Assemblyman Paul Aizley	Mock-up of Proposed Amendment to A.B. 342		
A.B. 342	I	Barry Smith	Prepared Statement		
A.B. 342	J	Dennis Johnson	Letter in Opposition to A.B. 342		
A.B. 467	K	Washoe County Government Affairs	Proposed Amendment		
A.B. 471	L	Mark Vincent	Proposed Amendment		
A.B. 471	М	Dan Musgrove	Proposed Amendment		