

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

**Seventy-Sixth Session
April 13, 2011**

The Committee on Government Affairs was called to order by Chair Marilyn K. Kirkpatrick at 7:29 a.m. on Wednesday, April 13, 2011, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/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

GUEST LEGISLATORS PRESENT:

Assemblyman John Ocegüera, Clark County Assembly District No. 16

Minutes ID: 868



STAFF MEMBERS PRESENT:

Lorne Malkiewich, Director
Susan Scholley, Committee Policy Analyst
Cyndie Carter, Committee Manager
Sheryl Burrows, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

James R. Lawrence, Administrator, State Lands Registrar, Division of
State Lands, Department of Conservation and Natural Resources
Cindy Edwards, Administrator, Division of Buildings and Grounds,
Department of Administration
Kathy Rainey, Purchasing and Contracts Manager, City of Las Vegas; and
Co-Chair, Nevada Public Purchasing Study Commission
Andrea Sullivan, Purchasing Supervisor, Washoe County School District;
and Officer, Nevada Public Purchasing Study Commission
Nicole Rourke, representing the Clark County School District
Lindsay Anderson, Director, Business Development and Research,
Commission on Economic Development
Dotty Merrill, representing the Nevada Association of School Boards
Gary Schmidt, Private Citizen, Gerlach, Nevada
Barry Smith, Executive Director, Nevada Press Association, Inc.
P. Michael Murphy, representing Clark County
Cadence Matijevich, representing the City of Reno
Jim Slade, Private Citizen, Gardnerville, Nevada
Javier Trujillo, Intergovernmental Relations Specialist, City of Henderson
Kathy Clewett, representing the City of Sparks
Dana Bilyeu, Executive Officer, Public Employees' Retirement System
Ted Olivas, Director of Administrative Services, City of Las Vegas
Tray Abney, Director, Government Relations, Reno Sparks
Chamber of Commerce
Ronald Dreher, representing the Peace Officers Research Association
of Nevada; and the Washoe County Public Attorneys' Association
Marty Bibb, Executive Director, Retired Public Employees of Nevada
Kevin Ranft, representing the American Federation of State, County, and
Municipal Employees, AFL-CIO, Local 4041
Ron Cuzze, representing the Nevada State Law Enforcement Officers'
Association; and the Nevada Association of Public Safety Officers
Leonard Cardinale, representing the Nevada Association of Public Safety
Officers, and the North Las Vegas Police Supervisors Association
Rusty McAllister, representing the Professional Fire Fighters of Nevada

Michelle Jotz, Director of Government Affairs, Las Vegas Police Protective Association
Tim Kuzanek, Captain, Washoe County Sheriff's Office
John Slaughter, representing Washoe County
Sean B. Sullivan, representing the Washoe County Public Attorneys' Association
Paige Dollinger, representing the Washoe County Public Attorneys' Association
Ben Graham, Private Citizen, Las Vegas, Nevada
John McCormack, Rural Courts Coordinator, The Supreme Court of Nevada
Howard Conyers, District Court Administrator, Second Judicial District Court
Kristin Erickson, representing the Washoe County District Attorneys' Office
Frank Hawkins, President, National Association for the Advancement of Colored People, Branch 1111, Las Vegas, Nevada
Mary Walker, representing Douglas County
Lawrence Werner, City Manager, Carson City
Ricki Barlow, Councilman, Ward 5, Las Vegas City Council
Lisa Foster, representing Boulder City
Scott Adams, Chief Urban Redevelopment Officer, City of Las Vegas
Jack Mallory, Director of Government Affairs, International Union of Painters and Allied Trades, District Council 15
Jo Cato, representing National Association for the Advancement of Colored People, Branch 1111, Las Vegas, Nevada

Chair Kirkpatrick:

[Roll was called.] We are going to start with Assembly Bill 469.

[Assemblywoman Bustamante Adams assumed the position of Vice Chair.]

Vice Chair Bustamante Adams:

We are going to go ahead and open up the hearing with Assembly Bill 469.

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

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

We have been trying to think outside the box in order to utilize our assets to move forward and bring new economic development to our state. I drive from Laughlin to Las Vegas every Wednesday when I am out of session and have repeatedly passed the Southern Nevada Correctional Center (SNCC) in Jean, which has been sitting vacant for years. I wondered what might possibly be

done to utilize that building. I wish we could use it for something positive. So I started pulling different information on our current vacant buildings, available lands, and leases. There are not a lot but I believe there are enough.

I started working with different groups, after touring SNCC and wondered if we could not lease the facility to businesses for one year, time enough to get them in the door. I use that particular site as an example, because it is great for business. It is right on the rails, right off of the interstate, and it is available. We also have training dollars with which we can retrofit it. It would help to bring in business. There are deed restrictions on some of the lands that we have, but we are trying to work through that with our federal delegation and get some of those leases. There are other ways we can utilize it.

We have been hearing a lot about movie production, the film industry—I am sure you guys have seen the couple of hundred emails that we have been getting. One thing that they talk about is a production facility. We are trying to work to see if maybe we have a vacant building that they can use and then leave their improvements, which would be to our benefit.

That was the original idea for this particular purchasing bill, and it is a purchasing bill since it has several different components. There is a very large fiscal note on it. I have been working with Mr. Clinger and Mr. Lawrence, from the Division of State Lands, on how to get that fiscal note down. I realize that Assembly Bill 469 will have to go to the Assembly Committee on Ways and Means. If it goes out without a recommendation, I can understand. But we are all trying to reasonably further our economic development, and the first section of the bill does that. I would like to invite Mr. Lawrence up to testify, because he worked with the Commission on Economic Development so that we could propose an amendment allowing for his office, as well as the Buildings and Grounds Division, to use this tool for vacant lands for the purpose of economic development.

It does another thing. We have heard other bills which have allowed local governments to go back and lease property. When we made the change in 2005 to *Nevada Revised Statutes* (NRS) Chapter 312, we took all of those privileges away from everybody and we have slowly been giving them back. This also will allow the state to lease some of its lands for cell towers, and different things, without the appraisal process. The reason I am comfortable with that, on a short-term lease, for the state is because we will now have a database, the concept of which we have heard in another bill, which will keep track of all this information; then, as legislators we can be confident in knowing where all of this stuff is moving. That is the first part of the bill, and Mr. Lawrence will come up and propose an amendment that we have been constructing.

The second part of the bill is a little controversial. It allows for the school districts to go out and do requests for proposal (RFPs) to better evaluate their food service with respect to cost effectiveness and efficiency. Washoe County does this already. They work with the management company. Personally, I think Clark County does a great job and has one of the best food service facilities in the nation. They employ quite a few people and produce a lot of product in a short amount of time. I have been through that facility, one, as a Parent Teacher Association visitor; one, as a legislator; and one, just as a mom working with the concessions and trying to understand how it all functions. In their old facility, they could produce 10,000 cinnamon rolls in one morning on a regular basis. I just want to have the discussion, because I think, especially in some of the rural counties, it might be cost effective for the school districts to have some different options. I know that Mr. Stevens from the Nevada State Education Association has some amendments. I have not had time to go through all of them. I know that Dotty Merrill has some amendments, as well.

The last part of the bill does one more thing. We were looking for ways to give local government the ability to award contracts to the best value. We see that we are able to do that on the state level. I know that we had the Purchasing Division come through here and tell us that sometimes it makes more sense in Elko to award the egg contract, which is huge, for just a penny more as opposed to going with the lowest bid, which is a company from outside the state, because we are employing people and we are keeping that business within our state. This allows local governments to do the very same thing. It does not include public works projects. With local government we have agreed to disagree for a long time, on how this should work. This, then, is a compromise which has been in progress for a while; that is, a way to allow them to consider options, because we know that for every \$1 spent within our communities, \$1.47 comes back to our economic end. And if we can put people back to work and further generate local government funds which then get well spent in our communities, I think that everybody is open to that. I understand that we are on a deadline, and tomorrow night is our last work session, so I am committed to having an open dialog. I think the biggest hurdle here is the second part of this section with the school districts, but I believe we can come to some kind of agreement. Thank you, Madam Chair.

Vice Chair Bustamante Adams:

Thank you. Are there any questions?

Assemblywoman Benitez-Thompson:

I think that the idea of keeping a proper inventory of all of our buildings and grounds is a good one. Do we not have any centralized inventory now? And if we do have one, does it keep track of which buildings are or are not occupied?

Assemblywoman Kirkpatrick:

I would probably like to invite Mr. Lawrence up. That is a direction we are trying to go so that we can keep track of all the leases, vacant buildings, and available lands in one central piece. I know that the Division of State Lands is going to work with the Buildings and Grounds Division and that is part of its amendment.

James R. Lawrence, Administrator, Division of State Lands:

I will address the question regarding the centralized inventory. Under statute, the Division of State Lands has land records for most state agencies and most state land uses, with the exception of the Nevada Department of Transportation (NDOT)—because of the right-of-way work—the Nevada System of Higher Education (NSHE), and legislative grounds, which all have their own land systems. Buildings and Grounds has a record of all the building leases, and the State Public Works Board has an inventory of all state owned buildings, again with the exceptions of legislative grounds, NDOT, and NSHE. So, all the inventories are there.

Assemblywoman Benitez-Thompson:

From the lists we have on lands, buildings, and leases, in about four or five different areas, there would be just one centralized list of what are vacant and able to be leased out. Is that right?

James Lawrence:

The centralized system is the next step and has been in discussion for about a year now, an outcome of the SAGE Blue Ribbon Implementation Panel. One of the first steps is to try to get at least one centralized spot on a website that can point you to the different inventories. Then we would take the lists and compile them, and the resulting information could be used as a strategic tool to evaluate land and building assets.

Assemblywoman Neal:

I have a question on section 5 of the bill, which you mentioned as probably being the most controversial piece. My constituents work in these services, and they have been doing that for maybe 15 to 20 years. These are the jobs they were able to get. The idea that they could be usurped by an outside contract that would take away what is their mainstay for employment is not okay with me. I do have an issue with that section.

Assemblyman Livermore:

I like this bill for its conception. It really does a lot of positive things. I will address one thing with respect to local government. When I was a city official, we entered into an agreement in which the Carson City Parks Department and the Carson City School District jointly shared outside maintenance of sports

fields, grounds, the grass and other elements, which I thought provided very beneficial savings to both and was a positive and productive collaboration. I do have a concern I do not see addressed here. Carson City has a large inventory of historical buildings, such as the Stewart Indian School. Would those properties potentially fit this requirement for lease potential?

James Lawrence:

Most of the land in that area is state owned and would be part of the inventory. Stewart Indian School, in particular, came to the state in the 1980s from the federal government and there are specific reversionary clauses on that property for how it can be used. That property would still be part of the inventory, because one of the ideas here is to get one centralized place where at least the inventory can be looked at and, from the information, strategic decisions can be made about what can and cannot be done and the properties' potential uses.

Assemblyman Livermore:

The reason I asked that question is because several years ago we had a discussion about the Nevada State Fair utilizing the Stewart complex. I like this bill, because it opens doors and provides information and opportunities we did not have before. Hopefully, great things will come from this. Thank you.

Vice Chair Bustamante Adams:

Mr. Lawrence, we are going to go ahead to your amendment, and I know we are going to have questions. Is your latest amendment on the Nevada Electronic Legislative Information System (NELIS)?

Susan Scholley, Committee Policy Analyst:

It is.

Vice Chair Bustamante Adams:

Thank you so much. Go ahead and proceed.

James Lawrence:

Thank you for the opportunity to present these amendments ([Exhibit C](#)). These amendments have been developed in consultation with Buildings and Grounds as well as the Commission on Economic Development. We believe that the amendments are still in keeping with the intent of A.B. 469 but provide for consistency with the existing statutes for leasing state-owned buildings and leasing state-owned lands. Again, I believe the amendments are on the NELIS system in front of you.

Specifically, the amendments do the following: Section 1, subsections 1 and 2 provide for the compilation of the list of state building and land assets and makes that list available to the Commission on Economic Development.

The language has been amended to be consistent with the language that is proposed in Assembly Bill 404, which I believe this Committee approved during the work session yesterday. The amendments in section 1, subsection 3, clarify that the Chief of the Building and Grounds Division is the responsible party for entering into leases for state-owned buildings and still authorizes leases of the buildings to attract new businesses. This was proposed in consultation with Economic Development which indicated that, while it desires to have the ability to market the properties, it prefers having the leases be developed by the agencies that have the existing staff and expertise in actually developing leases.

The amendment in section 1, subsection 4, changes the minimum term of a building lease from ten to five years for economic development purposes. Discussion with Economic Development indicated that it might not be feasible to have a ten-year lease for state-owned building space and that a five-year term was actually more reasonable for the purpose of attracting new businesses. The amendment also proposes that the building leases be approved by the Economic Development Commission. We did this to ensure that the leases are truly for economic development purposes.

Section 2, subsection 2, clarifies that the Chief of Buildings and Grounds is responsible for building leases. The reason for the clarification is that the bill, as written, may conflict with the statutes regarding land leases. These include things like grazing leases and recreation and public purpose act leases, so we really wanted to clarify that Buildings and Grounds do the building leases, so that there would not be any conflict with NRS Chapter 322 statutes.

Section 3, subsection 1, adds an amendment to NRS Chapter 322 regarding leases for land. This amends NRS Chapter 322 to contain the language which would allow for the leasing of land for economic development purposes.

Finally, section 4 proposes amendments to the current lease procedures. This would allow for a more expedited process for entering into land leases in order to generate revenue. That is the summary of the amendments that we have before you, and I would be happy to answer any questions.

Assemblyman Ellison:

You said there was a facility you were looking at which brought this issue to your attention and which has a rail spur. Rail spurs are rare to come by and are highly valuable. Many people are looking for them and it costs hundreds of thousands of dollars to get one in, if you can get one in.

Assemblywoman Kirkpatrick:

I would just comment to you, Mr. Ellison, we have had already several people express interest in that particular site as we were trying to see if it was an option. I did consult with the Office of the Governor, so they knew that it was something I wanted to propose. We have had manufacturers from around the world inquiring already, because it does contain all of those pieces. Four or five manufacturing companies have been in that area since 1984.

The other thing I want to point out about the inventory is that it will give us a list of how old our buildings are and what is needed to make them work. The goal at one point was to see which buildings were energy efficient and which ones we might fix up. All of this information will help us come to decisions. There has been a manufacturing company out there since 1984, and the prison was built in 1987. Although there are about 200 acres under a special lease, there are still about 164 acres and 85,000 square feet available from which the state could generate money. An adjacent company, which produces all the cups for Subway, 7-Eleven, and fast food places, was encouraged to know that somebody was even paying attention to what is out there. I think that if we can take some of these assets we have and use them wisely the state will win for the long term. The monies will go back into the General Fund, and we will gain a unique tool that other states do not offer.

Assemblyman Ellison:

I think it is a great idea and such a potential asset. My only concern is about section 1, subsection 4, where you talked about the leasing going from ten years to five. Is there a caveat in there that gives the party that is leasing first right? Most of them have made large investments and if the lease is up at five years, they might want to have the opportunity to extend the lease.

James Lawrence:

The five years and ten years are really minimum lease terms. I understand the question, and the point is a very good one. That would be negotiated out during the lease. Quite often, when we enter into leases, they might be for a term, and they might be allowed for five years or ten years, with options for renewals at different periods. Certainly working with prospective lessees, those would be things that we could put into the lease term. All this does is to provide for a minimum number of years.

Assemblywoman Benitez-Thompson:

Thank you. There is language in here that talks about when a discount might be offered or that the rent might be free for the first year of a lease. In which situations would you want to see that applied? My thought is that if you have got a building in which multiple people are interested, that would probably not

be a situation in which you would want to see the state give a discount for a year of rent. Is that right?

Assemblywoman Kirkpatrick:

We have been meeting with businesses across the nation, and they said that they do not mind paying their fair share in our state, that they do not mind paying extra. Taxes are at the bottom of their list, while issues such as regulation and an educated workforce are at the top. But they have consistently told us that the first year of business is the hardest, after having moved to a brand new state with their key employees. We thought we could reward them for their dollar—and that is just from their lease. Then we are going to generate property tax, we are going to generate modified business tax (MBT), we are going to generate a lot of stuff that first year. Each additional year they would go into a regular lease. That would just help them to get in and set up faster. In the past, we have just tried to abate all the taxes, but in this way we do not have to give away something which is a huge asset. Here is another example. Summit View Correctional Center is a vacant property in North Las Vegas which we are currently paying to keep open. They are working very diligently to get someone new in there to take it over. If we can expedite the process, it would benefit us for the long term.

Assemblywoman Neal:

Is the intent to use the land leasing in conjunction with the tax abatements or to offset costs? That is, will Economic Development decide that you can take the land for free or you can take a building for free, but you cannot have the property tax abatement if you do that?

Assemblywoman Kirkpatrick:

That has been the intent. There is an additional bill tomorrow that you will see that says no double-dipping. I have always been clear about that throughout my legislative concern—if we give you one, we should not be giving you ten. You need to make some initial investment in our state in order for us to do this. This was really about trying to think outside the box and trying to find a new tool that we might have at our purview. I will go back to the movie idea. We have some lands available, but if somebody wants to come in, many local ordinances say that you cannot be in one spot for more than 30 days. Perhaps the state agencies in the business of leasing can come in and say you can have it for three months. They know to make sure not to tear it up and make sure that they bring value to it. Many times, in utilizing some of these things we have quite a few more tools. The goal is not to double-dip, so you get one or the other to pick what is important to you. But I think that is why the five years is essential, because we have to have long-term investments, but this will allow the other process to play out for the short term, as well.

Assemblyman Stewart:

I think this is a fantastic idea. I have had some experience with the prison facility there. As a teacher, I took my students out there. Not only is there a spur there, but it is very close to the main line of the Union Pacific Railroad. What is the prison's condition? I know it has been vacant for some time. And do we have other large facilities like that which are vacant that you are aware of, Mr. Lawrence?

James Lawrence:

I believe SNCC is currently vacant. The other large vacant facility is the Summit View Correctional Center in the City of North Las Vegas. Those are the two that really come to mind as the largest vacant buildings. We certainly do have some other sections or pieces of vacant land throughout this state. I should add that the state's building and land assets are not extremely robust. We do not have a huge inventory of vacant buildings or vacant lands. Still, that does not mean there are not opportunities out there, and we want to be in a position to take advantage of them.

Assemblyman Stewart:

Do you know the actual condition of the prison? Is it still in good condition or has it become run-down?

James Lawrence:

I am sorry; I do not know the exact condition. I can find that out for you, though.

Assemblywoman Kirkpatrick:

Mr. Stewart, I can give you a little bit of history on that. The outside of it is absolutely gorgeous and in great condition. They have been maintaining it. To satisfy manufacturing on the inside, we might work with Economic Development and put training dollars that have been sitting idle toward retrofitting. The training dollars must be expended by April 12 of next year. A unique characteristic of the prison is that it was built with skylights. It has tons of natural lighting out there, and it has a culinary facility, which I toured recently. When we built it, we did a great job with it. The whole key to this session is having people cooperate and pool assets to put dollars to work in our state, and a wholly advantageous use of retrofit dollars works toward that end.

Assemblyman Stewart:

I have actually eaten out there, and I cannot imagine anyone being opposed to this bill.

Cindy Edwards, Administrator, Division of Buildings and Grounds, Department of Administration:

We did work closely with the Division of State Lands through all of these amendments to make them work for our statutes. The only thing that I would like to put on record is that a lot of the vacant facilities will need rehabilitation. We could look at operating, maintenance, and tenant-improvement costs as part of the lease negotiations for the entity occupying the buildings, to offset their rent for the first year.

Vice Chair Bustamante Adams:

Seeing no questions, we are going to go ahead and transition to those who are neutral on A.B. 469. We will go ahead and take the testimony from speakers from southern Nevada.

Kathy Rainey, Purchasing and Contracts Manager, City of Las Vegas; and Co-Chair of the Nevada Public Purchasing Study Commission:

First I want to thank Assemblywoman Kirkpatrick for working with the Nevada Public Purchasing Study Commission on this bill. I am speaking neutral on those sections of the bill that are not directly related to the public purchasing statute for local government. But I am speaking in support of sections 4 and 7. We are in very strong support of cooperative purchasing. In fact, in the last several months we have increased our support of cooperative purchasing in both the northern and southern parts of the state. We also support section 7, which deals with best value and total cost of ownership. I did want to offer an amendment which is also on NELIS ([Exhibit D](#)). The consideration of this amendment is based on feedback that we have from suppliers and others who are not as familiar with the competitive procurement process. The amendment offers a definition for the term "Request for Bid," and I would like to read it into the record. [Kathy Rainey read ([Exhibit D](#)).] I would be glad to take any questions.

Vice Chair Bustamante Adams:

Are there any questions from the Committee? [There was no response.] Thank you so much for your testimony. We will go ahead.

Andrea Sullivan, Purchasing Supervisor, Washoe County School District; and Officer, Nevada Public Purchasing Study Commission:

I work with Kathy Rainey, from whom you just heard, quite extensively. I also want to put on the record the Washoe County School District's support for section 4. Madam Chair spoke yesterday about how government should cooperate more. I participate in the Northern Nevada Consortium for Cooperative Purchasing and we have been doing this sort of work for the last 20 years. But we have also stepped up the intensity of that work since the last session when we were asked to look at how we could better share services and

be more efficient. So we do this quite extensively in the north and are very much in support of this language. We support section 7, also, and believe it will help the procurement departments engage in best practices and, ultimately, bring the best value to our agencies.

Section 5 would require us to go out to RFP for very particular areas in the school district. We do find that this particular section is duplicative to what we do already, and we are concerned about the lack of flexibility it imposes on the districts. As was mentioned earlier, we know that Washoe County School District already outsources the management of its nutrition services program. I did that RFP myself, so I am very familiar with it. We recognized that we potentially lacked expertise in that area, so we brought that expertise into the district. We are looking at many, many areas right now, not just nutrition services. Our concern is that RFPs are extremely complicated and time consuming. I probably logged 600 hours on the front end of the RFP for nutrition services, and that does not include the hours I have to do on contract management; that is, after the award, ensuring the provider's work is adequate.

As we decide as a district which areas we would like to look at, for potential outsourcing and cost efficiencies, this bill dictates the five areas we have to look at, which constrains our ever-shrinking resources. Our board might decide that examining other areas would be more beneficial to our particular district, but if we are mandated to do an RFP for these particular areas, then it will take resources away from different areas our board might be considering. I have a contract for plumbing services, which is part of maintenance of facilities, and one for irrigation services and elevator maintenance. We do a lot of outsourcing of parts of departments for which we find we do not have the expertise, we do not need full-time staff, or where it could prove cost effective. So many of our districts are very, very active in this area.

Another of our concerns is that we do not just serve the taxpayers of our communities but most importantly serve our 62,000 students. When we outsource labor for certain departments, we also outsource applicant screening. Our custodians, for example, do not come in at night after everybody has gone home. They are in our schools amongst our students all day long. It is the same with our bus drivers. And I understand that we can write certain things into the RFP, but we are taking an inherent risk when we outsource labor to another company and then rely on it to screen applicants properly.

Section 8 is the reporting section for section 5. I do not have a problem with section 8 except that, as it applies to section 5, I still have my concerns with section 5. Section 9 sets forth that all of these RFPs must be published by December 31, 2011. I believe it would be impossible to issue these five RFPs and do a good job with them by this deadline. All my professional staff has

state certification in contract management, and their time line shows 16 to 24 weeks to advertise and complete solicitation for a service, and not for a service for which you are outsourcing hundreds of jobs. If we are going to do it right and ensure valid bids, we have to have time to write correctly the specifications and scope of work for each position. This is going to take hours and hours, because there are hundreds of jobs and dozens of job titles within each of these departments. So for us to really be able to understand every single thing that every single job does in a day and get those specifications and all of the labor rates and everything that would be required to get good feedback from the proposers, we are talking about hundreds and hundreds of hours per RFP.

I think every procurement department in this state has taken a cut in personnel because of the budget crisis. We are trying to make the most valuable, effective choices with respect to service providers in the school districts. Rather than rushing the process to meet this deadline, we need time to make sure decisions are made well and that the proposals are legitimate. Otherwise you get what we like to call scope creep; that is where we are charged extra for services not specified in an RFP. At the end of the year all of these extra charges add up and, and behold, outsourcing turned out not to be cheaper, after all. And we waste a lot of time and money. So I would ask you to reconsider the December 31, 2011 deadline. That is all I have, and I will take any questions.

Assemblyman Goedhart:

You made a good point when you said that it takes a while to go through the RFP to determine the exact nature of each job. Doing that is a fine management tool, whether or not you actually have a bid that comes in lower than the school district. If it takes that much time to get your hands around what those on your payroll are actually doing, that tells you it is indeed a very good exercise. Thank you.

Nicole Rourke, representing the Clark County School District:

I would like to concur with the points already made in support and in concern, by Washoe County School District, and also add that we would like to thank Assemblywoman Kirkpatrick for acknowledging the quality of our food service program and the efficiency of our facility. It is something we worked very hard on over a number of years. We would also like to bring to your attention that we are a member of a group called the Council of Great City Schools, and every year it does an annual survey of the 66 largest school districts in the country. That survey helps them to gather information on price points, efficiencies within purchasing, and things like that. So we benchmark ourselves every year, both locally and nationally on, not only prices for different services, but also on the efficiency of production and delivery in the major function areas.

We have also gone out to bid several years ago for magnet school transportation; and, just so you are aware, to fully address that issue the bid process, from point A to point Z, took two years. If this should be a measure of cost savings, perhaps a tool like a cost survey would be better than a bid process. Also, those participating in the bid process expect the services to be contracted out, and that all concerned would not go through a lengthy, very detailed process to find that the districts themselves can provide the services most efficiently and cost effectively. Thank you.

Assemblywoman Neal:

I have a question, Ms. Rourke. In section 5, without getting into a discussion on the food service management aspect but just with respect to custodial, ground maintenance, facility and transportation, are you saying that right now whoever is offering those services is inefficient? That what the Clark County School District (CCSD) pays is far and above what is reasonable, so to outsource this would be a better fit?

Nicole Rourke:

That is not what I intended to say at all. No, as I just stated, we went through a very lengthy process specific to our transportation and magnet schools several years ago. A cost study analysis by an independent auditor showed that CCSD could provide services for \$2 million less. In benchmarking ourselves against other large school districts, we continue to find that we are right in line. And we quickly address inefficiencies as we discover them. Typically, though, we are well under other services.

Assemblywoman Neal:

So CCSD would probably not need to outsource or bid for these particular services, except food service?

Nicole Rourke:

For any of these services. We currently provide all of our food services. We have a large facility, and we would love to give you a tour.

Vice Chair Bustamante Adams:

Thank you. If there are any others who are neutral, please come to the table.

Lindsay Anderson, Director, Business Development and Research, Commission on Economic Development:

I am testifying in support.

Vice Chair Bustamante Adams:

Just to keep the record straight, we will take the next neutral person and then switch to you.

Dotty Merrill, representing the Nevada Association of School Boards:

My testimony is parallel to Ms. Sullivan's, on behalf of the Washoe County School District. The sections which concerned our school board members were sections 5, 8, and 9. So I will just go on the record echoing her comments. Thank you.

Vice Chair Bustamante Adams:

Thank you so much. Seeing no questions, then, we will go ahead and move to support, and that is you, Ms. Anderson.

Lindsay Anderson:

We are here to testify in support of A.B. 469. We have been working with both the bill's sponsor and Mr. Lawrence, with State Lands, on developing this new tool. Throughout the session we have been discussing ways to make good use of Nevada's intellectual and human assets but have, perhaps, overlooked the physical assets we have to offer to companies. So we think this is a natural fit, as the state has a variety of resources. Certainly other states are using similar systems. We get asked questions weekly about what kind of land and building space and other resources we have to bring to the table, and this would be a welcome opportunity about which to tell companies. Thank you.

Vice Chair Bustamante Adams:

Seeing no questions, are there other individuals in support of the bill? If not, we will move to opposition. Are there any individuals in opposition to A.B. 469? [There was no response.] Seeing none, we will have the bill's sponsor come up and give closing remarks.

Assemblywoman Kirkpatrick:

I will work with the interested parties on sections 5 through 8, because I know that there are parts of our state that do a really good job already. I do wish to clarify that although the bill dictates that districts go out for RFPs, which I understand are expensive, it is not meant to threaten anybody's job. If employees are already in the collective bargaining process, that is maintained. I just want to make sure the record is clear that the intent is not to take anybody's job away as much as to encourage efficient and cost effective practices. Generally, when asked to do self-evaluation by the Legislature, localities are diligent and make good economic decisions. Thank you.

Vice Chair Bustamante Adams:

Thank you very much. With that, we are going to go ahead and close the hearing on A.B. 469. We will open the hearing on Assembly Bill 257. Mr. Ellison, please proceed.

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

Assemblyman John C. Ellison, Assembly District No. 33:

My colleague, former Assemblyman John Carpenter, brought me this bill. It has been amended dramatically. Some of the smaller boards have problems because of the nature of the open meeting law. Currently, in our district, and in the counties and cities, public meetings open and close with public comment. We would first like to look at the amendment on this bill ([Exhibit E](#)) and take out everything in the middle so that the bill reads, a public body shall provide additional "period devoted to comments by the general public," "if any," and "discussion of those comments," and not, as initially, "before the adjournment of the meeting." This removes the taking of public comment in between each item on the agenda, which can extend meetings for hours, and limits it to the beginning and end of meetings. So that is what we would like to do, and we are asking for your support on A.B. 257.

Vice Chair Bustamante Adams:

Are there any questions from the Committee?

Assemblyman Anderson:

Can you specifically talk about which subsections you want to amend out?

Assemblyman Ellison:

Section 1, lines 23 through 27 will be deleted. The only thing that would be added would be at the end of lines 27 through 30 and then a short part of line 32. The reason this was brought forward, Mr. Anderson, was that there are a lot of school boards not allowing the public to address the boards. If you were to come into a meeting late, you could not comment on certain previous agenda items. This cleans up the meeting structure to allow the public to speak.

Vice Chair Bustamante Adams:

Are there any other questions? [There was no response.] Mr. Ellison, do you have any people who would like to speak in support of your bill?

Assemblyman Ellison:

I did get some amendments from Clark County, and I think I addressed them. But if Mr. Murphy is here, he might want to discuss it.

Vice Chair Bustamante Adams:

Are the amendments posted on the Nevada Electronic Legislative Information System (NELIS)?

Assemblyman Ellison:

No, we did not get them.

Vice Chair Bustamante Adams:

Is there anybody who would like to testify in support of A.B. 257?

Gary Schmidt, Private Citizen, Gerlach, Nevada:

I am a 37-year resident, property owner, and business operator in the State of Nevada, substantially in Washoe County. And I have the distinction of having attended more public meetings in full, within Washoe County, than any individual Reno or Sparks county commissioner or city councilman. I have raised the issue of having two public comment periods, one at the beginning of public meetings and one at the end, for probably a decade or better. When you have a period of public comment at the beginning of meetings, at least you have a time certain for early public comment, so someone knows what time to arrive to make a public comment. Oftentimes, public comment is at the end of the meeting, forcing someone to sit for five, six, seven hours, in order to make his public comment. I do support having public comment on individual agenda items, but setting aside a period for public comment at the end of meetings allows a person to address any issues that have come up during deliberation, and I think it is essential for an open, transparent process. I oppose the amendments withdrawing the requirement to make public comment on individual action items but will hold that thought.

Vice Chair Bustamante Adams:

I will have you return to that portion. Are there any others who would like to testify in support of A.B. 257?

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

I am in favor of this bill. I was not familiar with the amendments, so I cannot speak to that. But certainly having a public comment period available before the board takes action seems rather obvious to me.

Vice Chair Bustamante Adams:

Seeing no questions from the Committee, we will go ahead and transition. Are there any individuals who would like to testify neutral on A.B. 257?

P. Michael Murphy, representing Clark County:

We have spoken with the Assemblyman about his bill and we appreciate the amendment brought forward, although we have not seen it yet. Currently we have our period of public comment at the end of meetings and understand the need to put it also in the beginning. Our concern, for the record, is that we may have over a hundred items on our agenda, so if we were to attach a time for public comment to every item, we anticipate that it would add between five and

ten hours to our regular meeting. We understand the need to set times for people to comment on individual items on a consent agenda and, without having seen the proposed amendment, we support the concept.

Cadence Matijevich, representing the City of Reno:

We are also neutral on the bill. We did have some concerns with the bill as it was originally written, and we spoke with Assemblyman Ellison about those concerns. Without the benefit of being able to see the full text of the amendments, I am unable to say at this time if we would be in support or opposition. As for the Reno City Council, its meetings begin at noon, and it does a few pieces of business, gives the pledge, has a few moments of silence, and so on. But we do open with public comment. We allow public comment on every item on our agenda. We do consider some items as a group, under a consent agenda, but we allow for public comment on the entire consent agenda. If individual items are pulled from the consent agenda to be discussed individually by our council, then we also allow for public comment on those. We do not currently have a public comment period at the end of our agenda, but I am certain that we would be open to that and so look forward to seeing the amendments. I would be pleased to answer any questions.

Vice Chair Bustamante Adams:

Seeing no questions, we will proceed to the next person.

Jim Slade, Private Citizen, Gardnerville, Nevada:

I am very active in local politics. I appreciate the opportunity as a member of the public to testify on this bill, just as the public is allowed to testify on all bills before the Legislature. This is as it should be. It upholds the values of democracy. Likewise, all public bodies should allow members of the public to be heard on all action agenda items as they are being considered by that body.

Democracy, as you know, is government of the people, by the people, and for the people. It is one of the guiding principles of our great nation, and that is why the opening sentence of Nevada's open meeting law states, "In enacting this chapter, the Legislature finds and declares that all public bodies exist to aid in the conduct of the people's business." The intent of the law is to make the public process, open, transparent, and accountable to the public.

Section 12.03 of the *Nevada Open Meeting Law Manual*, under standards of interpretation, states, "A statute enacted for the public benefit such as a sunshine or public meeting law should be construed liberally in favor of the public." This is why any legislation that seeks to open this accountability and public involvement in the activities of government, as I originally believe A.B. 257 sought to do, advance the democratic process.

When I use the word democratic in my testimony today it is always spelled with a small letter "d," meaning the values of our democracy, not with a capital "D," indicating the Democratic Party. This should be a nonpartisan issue.

Part of the confusion over this proposed bill and my confusion lies in the different terminology used in the Legislature versus other public bodies. Here you have a period for public comment at the end of the meeting, which is similar to the required period for public comment on non-action items, and non-agenda items on which no action may be taken at the meetings of other public bodies. Here, however, public statements and individual items, such as this bill, are referred to as "testimony," whereas, in other public bodies it is referred to as "public comment." That is the public comment that I believe this bill seeks to address—public comment on action agenda items.

On a local and county level—at a county commissioners meeting, for example—after an agenda item is read into the record, the staff introduces the item and provides a report if applicable. Then the applicant has an opportunity to address the board. The public should then always be allowed to comment on this agenda item before the board discusses, deliberates, and takes action on the item. This is how it should be and in many cases how it is already is, such as in Reno, as we just heard.

Of course, the public should be allowed to listen to the presentations of staff and applicant before making their comments. There is no other time that would make sense.

Some jurisdictions are considering allowing only a brief period of public comment on all agenda items at the start of the meeting, and often hours before that agenda item will be heard, or prior to the presentations of staff and applicant and prior to any last-minute changes to the proposal.

In addition, if a member of the public has several items on which he would like to comment, that only allows a few seconds per item. This makes no sense at all and is contrary our cherished tenants of democracy, and contrary to the intent and spirit of the open meeting law. Oddly, the open meeting law does not directly address this issue. It was my understanding that A.B. 257 sought to correct that oversight in keeping with the spirit of the open meeting law.

My reading of A.B. 257 as it was originally introduced would require a period devoted to public comment on each action agenda item while it was being considered by the public body, which is appropriate.

We have a serious problem in this country when it comes to public involvement in the political process—apathy. Not only do we have one of the lower voter

turnout percentages in the developed world, but for most people that is their only involvement. Those who are willing and able to attend public meetings to express their opinions should be encouraged to do so. This legislation should do just that, by guaranteeing the public's right to comment on all action agenda items while they are being heard by the public body.

The *Nevada Open Meeting Law Manual* states in section 8.04: "The Office of the Attorney General believes that any practice or policy that discourages or prevents public comment, even if technically in compliance with the law, may violate the spirit of the Open Meeting Law."

This is my third day at the Assembly Committee of Government Affairs waiting to testify on this bill. The third time is a charm. I have heard many bills come before this Committee and heard testimony for any number of local, county, and state officials plus a number of lobbyists representing local and county government, organizations, and business interests. Yet, very few members of the public testify—even on this bill concerning the open meeting law, which is designed to protect the public interest. I do not need to remind you that the exact wording of the legislation is crucial, and I am concerned that the wording of the added sentence on page 2, lines 26 and 27, may or may not be changed by the proposed amendment. "A public body shall provide such a period before taking action on the item." This could be interpreted to mean providing a period for public comment for all agenda items at the beginning of the meeting and this would be adequate.

I do not believe that was the intent of the bill as it was introduced, nor would that be in the public interest. Therefore, I urge you to make that sentence clearer by adding a phrase such as "during consideration of the agenda item." The sentence could then read, "A public body shall provide such a period for public comment during consideration of the agenda item before taking action on that item."

The proposed amendment presented by Assemblyman Ellison brings that intent into doubt, however. By the way, that amendment is not available at the desk, not referenced in the agenda, and not available on NELIS, which is very disappointing to members of the public. How can we comment on the amendment when we have not seen it?

I had originally intended to speak in favor of this bill, but I now believe the wording and intent is so unclear, and the proposed amendment would so radically alter the meaning and intent of the bill, that I can no longer support the bill. That is why I am testifying as neutral.

If the intent of the bill is to have all members of the public comment on all action agenda items as they are heard, and as I had originally thought it was, and which is appropriate and made clear in the wording of the bill, then I wholeheartedly support the bill. If on the other hand, this bill is meant only to allow public comment on all action agenda items at the beginning or the end of the public meeting, then this would be contrary to public interest, our democratic values, and the intent and spirit of the open meeting law, and I would oppose the bill.

The Open Meeting Law, intent as it is stated, is to aid in the conduct of the people's business, and to be construed liberally in favor of the public. It is not to keep meetings short or to make sure elected officials get home in time to watch the next episode of *Dancing with the Stars*. Expediency should never trump openness and public participation. Most public bodies only meet once or twice a month; the Clark County Commissioners meet only twice a month. The interest should be in encouraging comments from the public which they serve, and not in keeping meetings short.

I understand that there are occasionally a few individuals who abuse the opportunity for public comment, which is unfortunate. It wastes everyone's time. In my experience, however, this happens very infrequently. The vast majority of the people who make public comment on action agenda items do so conscientiously and add valuable perspective to public policy discussions and decisions. The majority should not be punished for the ill-advised actions of the few.

It would be a shame at this time when the United States is fighting in multiple conflicts overseas—which is in large part to bring democracy to those countries where billions of U.S. dollars are being spent and where our brave soldiers are putting their lives on the line every day—if we do not embrace democracy here at home. This bill should be about furthering democratic principles and public participation in government as I originally thought it did. In that case the bill would deserve your support. As it is now, and particularly as it could be amended, it would be undemocratic, contrary to the public interest, and contrary to spirit of the open meeting law, and hence the bill should not be passed. Thank you.

Vice Chair Bustamante Adams:

Thank you, Mr. Slade. Are there any questions? [There was no response.]

Javier Trujillo, Intergovernmental Relations Specialist, City of Henderson:

Initially, we were opposed to the bill as it was written. However, considering the comment Assemblyman Ellison made about the amendment, we come up

neutral and would love to be able to look at those amendments and share the information with coworkers. Thank you.

Vice Chair Bustamante Adams:

Seeing no questions, we will take the next person.

Kathy Clewett, representing the City of Sparks:

First, thank goodness the City of Sparks hardly ever has an agenda that has over a hundred items. We pretty much mimic what City of Reno does and hold public comment at the beginning of public meetings. If we are discussing an item we recognize as controversial, for which a particularly large number of people are in attendance, we bump up the item so that everybody gets a fair shake at it. We also have public comment at the end, and we really do try to intersperse it, depending upon the agenda. Thank you.

Vice Chair Bustamante Adams:

Seeing no questions from the Committee, are there any others who are neutral? [There was no response.] Seeing none, are there any in opposition?

Gary Schmidt:

I am a little confused by the amendment and some of the testimony. I support taking public comment on matters before local governing bodies—action items. I oppose any amendment to the bill as I originally understood it. It removes the requirement to take public comment on each action agenda item, and I oppose that. Just to reiterate, I support having a general public comment period at the beginning of the meeting, a general public comment period at the end of the meeting, and the requirement to take public comment on every action item. Just because you have 30, 40, 50, or 100 items on the agenda does not mean they are all action items.

As for the idea that having public comment on each agenda item is time consuming, what do our elected officials have to do that is more important than to listen to the people? I am almost surely the most experienced person in this room in attending meetings and speaking at meetings—pushing four decades of experience in this—and I have seen very little abuse in regard to public comment, in the grand scheme of things. There is some, what one might call abuse, but it is incidental. The right to speak on action agenda items is a self-regulating concept. Two or three dozen people do not attend a meeting wishing to speak on an action agenda item unless they are genuinely concerned. On items which are mundane and sort of routine, you are not going to have dozens, or probably anybody, speak. Washoe County, to its credit, takes public comment on every action item. The Cities of Sparks and Reno do it on their own whim. On many occasions they will open up an action item for individual public comment. It is seldom that they do not take public comment but will do

so occasionally to bury particularly hot issues. It is totally discretionary on their part, now. They take public comment a majority of the time, but I do not think it should be discretionary. An action item is, by its very nature, an action item and generally involves the city council or county commission spending our money, creating a law, or changing land uses. Again, if 50 people want to speak on an issue, in my experience, there is good reason and the elected officials ought to listen to them. Thank you.

Vice Chair Bustamante Adams:

Thank you, Mr. Schmidt.

Assemblyman Livermore:

Mr. Schmidt, thank you so much for being here today. I cosponsored this bill. I served 12 years on the Carson City Board of Supervisors and participated in countless agendas and meetings. It has always been the Carson City Board of Supervisor's policy to offer public comment at the very beginning of the meeting and on nonagendized items. It also is the Board of Supervisor's policy to allow public comment on every item requiring the Board's attention, at any time, and I fully support this bill. You speak well about the public's involvement and about the open meeting process. Thank you.

Gary Schmidt:

I thank you and the Carson City Council for having that policy. Most follow that policy. But it ought to be in law, because the opportunity for abuse is on the side of the elected officials, not on the side of the public. Thank you.

Assemblywoman Benitez-Thompson:

We are discussing language that none of us have seen. I do not have any language to refer to, so I am semi-uncomfortable with all of this.

Vice Chair Bustamante Adams:

Mr. Ellison, we are all really anxious to see the amendments.

Assemblyman Ellison:

In 19 years of being a public official with the City of Elko and the Elko County Commission, never once did we not take public comment. There are small boards out there which do not listen to the public when it comes to nonaction items. This aims to address that and to say that the people have a right to speak. I believe in the first amendment, and that was what this was about. Former Assemblyman Carpenter decided to take out part of subsection 3, because there is a difference between action and nonaction items. Removing the middle portion of the bill had nothing to do with the length of meetings. I will get the amendments to you and onto NELIS right away. Also,

I just spoke with Clark County representatives and they have pulled their amendment.

Assemblyman Anderson:

Mr. Ellison, just to be clear, as amended what you are proposing is to add just the period at the start of the meeting and leave out the other part. Regardless of every other amendment, you will still be adding a period with this bill.

Assemblyman Ellison:

Yes, sir. It will make it mandatory that every public body, no matter who they are, open with public comment and close with public comment.

Assemblyman Munford:

I just want to commend you for this bill, because in Clark County, down at the Board of Trustees, there has been quite a bit of controversy related to this. It became a really hot-button item, and we needed some legislation. I introduced some related legislation in previous sessions but it never seemed to get to this point. So I appreciate this bill very much.

Assemblyman Ellison:

Thank you, sir.

Vice Chair Bustamante Adams:

Thank you. Are there any other questions? [There was no response.] With that we are going to close the hearing on A.B. 257.

[Assemblywoman Kirkpatrick reassumed her position as Chair.]

Chair Kirkpatrick:

We will now open the hearing on Assembly Bill 405.

Assembly Bill 405: Revises provisions governing the Public Employees' Retirement System. (BDR 23-964)

Assemblyman John Ocegüera, Clark County Assembly District No. 16:

I am presenting Assembly Bill 405. [Displayed an outline of remarks ([Exhibit F](#)).] I think it is important that we talk a little bit about its history. In 2009 we implemented some pretty significant changes to the Public Employees' Retirement System (PERS) and I do not, quite frankly, think we got enough credit for what we did. We limited the type of call-back pay that would be considered for compensation. We also did a no increase in compensation of more than 10 percent per year when determining the retirement allowance for a member who joins after January 1, 2010.

Those are two major things, but I have a list of 22 changes we made to PERS last session ([Exhibit G](#)). We reduced the monthly retirement allowance for each member with an effective date of membership after January 1, 2010, by reducing the multiplier from 2.67 to 2.5. We also increased the amount of reductions for members who have effective dates of membership after January 1, 2010, to 6 percent of the unmodified benefit for each full year, an additional 0.5 percent of each additional month that the member has left under the appropriate retirement age. So if you are retiring prior to the age that you can retire, we are going to reduce that benefit by 6 percent. We also reduced the postretirement increases for retirees who became members of the system after January 1, 2010, with an increase in benefits cap at 4 percent at the 12th anniversary and each year thereafter. Previously, after the 12th year in retirement, members would get a 5 percent increase every year. We changed that to 4 percent. We also increased the age at which a member could retire after having ten years of service, from 60 to 62. We also removed the benefit for police and fire to retire at 25 years of service. Those are just 4 off the top of my list of 22 changes. We believe we submitted that on the Nevada Electronic Legislative Information System (NELIS).

I think the history is significant. That is why you will see, in this bill, some modifications that say that we ought to wait awhile before making further changes until we learn from the actuaries how exactly the first round of changes has affected the system.

The Public Employees' Retirement System is stable and doing well. But there are, by all means, improvements to be made, and I have a couple to present to you today. By eliminating call-back pay in the compensation reported at any time, for future members, A.B. 405 can reduce our unfunded liability and increase the predictability of the fund. That means that if you are getting paid call-back overtime, that will be calculated into your retirement. The bill will limit increasing reportable compensation to no more than 10 percent from one year to the next for someone who joins after January 1, 2012. It contributes to stability in that it prevents 10 percent year-over-year increases, and contains provisions excluding promotional pay which, I think, helps to prevent rate manipulation. Again, we are encouraging better predictability, reduction of unfunded liability, and fiscal responsibility.

In the bill, we have a pledge that says that for ten years the Legislature will not enact any law which changes any benefit payable under PERS unless it is necessary to maintain the integrity of the system. I think this gives the PERS board and the Legislature time to assess the impact of the significant changes we made in 2009 as well as the changes that, if your Committee so desires, we pass in this bill. To put it simply, the longer the assessment period, the more accurately we will be able to judge how the system will work. After that

ten-year period, the Legislature pledges not to enact any law that increases the benefit payable under the system unless the value of the asset is equal to, or greater than, 85 percent of the liabilities in the fund. The fund is at 71 percent and has been as high as 85 percent. I believe we should try to obtain the laudable goal of 100 percent funded. Will there be a time when every state employee retires on the same day? I doubt it. Still, we should try to get to 100 percent. This bill says that we would not try to change the benefit until we were in the area of 85 percent funded.

I think this is a policy of good fiscal restraint which would benefit our state and the retirees for generations to come. To sum up, A.B. 405 does more to stabilize PERS, reduces future unfunded liability and volatility, and upholds fiscal responsibility. I will take any questions.

Chair Kirkpatrick:

Thank you, Mr. Speaker. I think you are correct. At least when I went home last session, people were not really aware that we had made significant changes to PERS. We will make sure this gets on NELIS, because I think people really need to see how we have been trying to make changes over time.

Assemblyman Stewart:

I too applaud the Speaker for bringing this forward. The huge changes that were made last time were pretty much ignored, and I hope the information is accessible on NELIS and that that newspaper down south gets wind of it, too. Thank you very much.

Chair Kirkpatrick:

We will make sure we send it to them, Mr. Stewart. Are there any other questions?

Dana Bilyeu, Executive Officer, Public Employees' Retirement System:

The retirement board has not yet had a chance to take a position with respect to A.B. 405. They are meeting next week. The staff will be recommending that PERS take a neutral position with respect to the benefit modifications and will offer positive comments with respect to section 1 of the bill, which is the legislative pledge.

I would like to make some specific comments on the provisions contained within the proposal just from PERS's perspective.

First, relating to section 1 of the bill containing the legislative pledge for no benefits modifications for a ten-year period, this bill codifies in essence the funding policy of the system in place today. The retirement board adopted a funding policy requiring the system oppose all benefits improvements until the

system is at least 85 percent funded. That matches the requirement in this bill once the ten-year moratorium on any benefit change expires. As mentioned then, no benefit improvements may be made until the system is at least 85 percent funded.

Significant reforms were made to the system in 2009, as Speaker Ocegüera pointed out. Those benefit modifications have only been in place for over a year this point, yet we already have 5,000 members participating in the lower tier of benefits.

As workers leave the public workforce due to retirement or other circumstances, new employees will go into this new tier. Over the course of a ten-year period a significant portion of the active workforce—in fact, probably over 50 percent—will be participating with this lower tier of benefits. It is very important to make sure the benefits are reviewed to make sure that they are still incenting your employees' behavior as you, the plan sponsor, want it to do.

Benefit competitiveness, adequacy, and cost are all extremely important considerations that are going to be worthy of study. Since the financing horizon of the system is between 40 and 60 years for each individual who is participating in the system, a ten-year moratorium will clearly provide the Legislature with enough evidence to evaluate whether the new benefit tier continues to meet the mission of the system and to fulfill the human resource goals of the participating employers.

Additionally, continual tier changes in each legislative session actually act against one of the purposes of the system, which is to provide your participating employers with a benefit structure that can be easily described and used to attract qualified employees to the workforce. The system has been a very attractive tool for our participating employers when competing for an experienced workforce.

Section 2 of the bill removes callback from the definition of reportable wage. The definition of callback was significantly restricted in 2009, but this bill goes one step further by simply removing it from reportable wage to us. While callback has been restricted from members of the 2010 tier, it is still a form of premium pay that is very different from one employer to the next. Removal of it from reportable compensation places all employers on an even more level playing field.

Section 3 of the bill restricts reportable salary to more than 10 percent increases year over year except for promotions and assignment-related compensation. This has the effect of making the wage growth, as the Speaker Ocegüera indicated, very predictable from an evaluation perspective

and will anchor the wage growth to the beginning of the employee's career. Promotions and assignment-related pay will be defined very carefully in our policy documents because every employer does define assignment-related pay slightly differently as well as promotions.

While it is perfectly fine for each employer to have these varying definitions, it is also very important that all employers report to us on a single definition, because we have 183 participating employers, and it is a cost-sharing program, so we want everyone to have the same rules that they report to us under.

That concludes my testimony and I am happy to answer any questions with respect to the pension fund.

Chair Kirkpatrick:

Thank you, Ms. Bilyeu. Are there any other questions?

Assemblyman Stewart:

I want to thank Ms. Bilyeu for the excellent job that she does in managing this program. I hope her tenure outlasts my lifetime. Thank you very much.

Chair Kirkpatrick:

Are there any other questions?

Assemblyman Goedhart:

Hypothetically, in four or six years, could this body change that ten-year pledge to not make changes to the system or its benefits?

Dana Bilyeu:

It is my understanding that that pledge could be changed by future legislation. It is more a statement of intent not to make those changes.

Assemblyman Goedhart:

Okay, thank you.

Chair Kirkpatrick:

Are there any other questions? With that, I would like to invite those up who are in support of A.B. 405.

Ted Olivas, Director of Administrative Services, City of Las Vegas:

We are in support of this bill and thank Speaker Ocegueda for bringing it forward. Both he and Ms. Bilyeu covered the provisions of this very clearly, so I will not go into that. We think this will create an easier application of the rules for retirees, for state and local governments, and for PERS. We heard a bill earlier about reporting wages correctly, and we believe that this bill will

minimize related problems. So we are thankful and in support, and I would be happy to answer any questions.

Chair Kirkpatrick:

Are there any questions?

Assemblyman Goedhart:

This applies to an effective date of membership of January 1, 2012, so in most instances it would be applicable to people who would be retiring somewhere between 20 and 30 years in the future. That is the time these provisions would kick in, is that correct?

Ted Olivas:

Yes, that is correct. That is how I read the bill. We are going to have a challenge between now and then, but we will continue to work with PERS very closely, and we think that most of the issues that we have experienced in the past are behind us and that the process is working well.

Chair Kirkpatrick:

Are there any other questions?

Tray Abney, Director, Government Relations, Reno Sparks Chamber of Commerce:

Let the record also reflect that this is another bill from the Speaker that I am supporting. He left the room, but I want to make sure he knows that. We support this concept and feel it is a very good next step in the process to update PERS and try to bring it more in line with how the private sector operates. When I looked at the bill I shared the same concern that Mr. Goedhart expressed, in that this Legislature cannot bind the actions of any future Legislature. So technically, while this Committee and this body could make this ten-year pledge, the 2013 Legislature could come in and do something totally different. But we support this bill and this concept.

Chair Kirkpatrick:

Are there any other questions? [There was no response.] Would anybody else like to testify in support of A.B. 405? Is there anybody who would like to testify as neutral on A.B. 405?

Ronald Dreher, representing the Peace Officers Research Association of Nevada; and the Washoe County Public Attorneys' Association:

We signed in as neutral for a couple of reasons. We do not have any problem with section 1 and the ten-year plan. Nevada PERS is by far one of the best systems in the United States. We have the best financial managers in the United States. If I could invest my private money in the system, I would do it,

because the rest of us are getting, like 0.25 percent, and they are averaging 10 to 12 percent. So our system works. In 2009 we made all kinds of changes to PERS, to probably reduce what I am not sure we had to reduce in the first place. We gave up the 25 years and out on the assumption that officers are living longer. But in the past several months, two of my friends died and they were in their sixties. So we are not really living like that, and I have been anticipating coming back to this Committee to ask you to reinsert that in the bill. As Mr. Goedhart said, this will not take effect for a long time. But, as Ms. Bilyeu said, we have already got 5,000 people hired after 2009 that are impacted by the changes to PERS last time. So I am kind of neutral on this and kind of opposed to two issues. We do not understand why you would have to make enhancements, and that is why we are neutral on it.

Chair Kirkpatrick:

Are there any questions?

Marty Bibb, Executive Director, Retired Public Employees of Nevada:

The Public Employees' Retirement System is and always has been a work in progress, and that is why those changes were made to spiking callback in 2009 in response to our changing economic environment. This is a proactive measure which recognizes those changes. They will be considered when they take traction because, as a whole, the situation is complex.

The Public Employees' Retirement System really is extremely efficient and has been since its formation in the late 1940s. Changes to the system must be considered prudently. It is kind of like the large ship analogy in that it is a very large ship, with the record investment holdings it now enjoys, and it has to be turned very slowly. In economic downturns, as we have experienced over the last few years, it takes a little while to get caught up. I think the approach of making changes carefully and then analyzing them properly, to see how they shake out over the next ten-year term, makes good sense. The comforting fact is that the legislation expresses the intent to do that. We signed in as neutral for all the many considerations that this entails. Thank you.

Chair Kirkpatrick:

Thank you, Mr. Bibb. Are there any questions?

Kevin Ranft, representing the American Federation of State, County, and Municipal Employees, AFL-CIO, Local 4041:

We are neutral on A.B. 405. The Public Employees' Retirement System is a very respectable system, and we do not want to see it cut such that we no longer attract solid individuals to come and work with the state. We are seeing the trend go backward. Of course, there is a lot of unemployment right now, so we are getting anybody and everybody applying to state jobs. Nonetheless, we

want the best of the best to come work for this state, those who will work most effectively for taxpayers. And if you keep cutting the PERS, the benefits are going to go away and people are not going to come to this state. We want to represent a neutral position on this small change to PERS but recognize also that small changes can lead to bigger changes. We do anticipate serious and positive impacts from the 22 changes to the system made in the 2009 Session and would like to see the program funded 100 percent. Thank you.

Chair Kirkpatrick:

Thank you. Are there any questions? [There was no response.] We are going to call up those in opposition.

Ron Cuzze, representing the Nevada State Law Enforcement Officers' Association:

We strongly oppose this bill. In 2009 we went along with the changes thinking that those would be sufficient, but now they are trying to make further changes we believe to be unnecessary. The Public Employees' Retirement System depends and runs on what is contributed into the system. If a person is called back to work the call-back pay is subject to a PERS contribution. So why would you not want more money put into the system? It does not make any sense. We believe that, with respect to the call-back pay, this is a knee-jerk reaction to a group of individuals in the system that defrauded the taxpayer. Do not penalize all PERS members because somebody was defrauding a government entity. I do not even understand why the ten-year period is included in the bill. I do not believe the legislation should restrict itself. Last but not least, PERS is not broken, so do not fix it for us. Thank you.

Leonard Cardinale, representing the Nevada Association of Public Safety Officers; and the North Las Vegas Police Supervisors Association:

I will echo Ron Cuzze's testimony. We are in support of no changes, whatsoever, to PERS. We believe it is a strong system. I understand that it could basically be considered a pile of money sitting there, and some people would like to find a way to water it down and get to it. I have at least 10 to 13 years left before I retire, and if you make these changes it will water down the system. This is not cosmetic in nature, and it is not an attempt to stabilize the funds, since they are already stable. I believe the gentleman that spoke earlier spoke correctly when he said that the economy and the PERS are works in progress. We need to look at PERS every two years, and we need to see if the economy gets better. Perhaps, should the economy worsen, we can make some improvements to the system. Locking it in and not allowing for change for the next ten years, I think, would be detrimental to the fund itself. Thank you.

Chair Kirkpatrick:

Does anybody have any questions for Mr. Cardinale or Mr. Cuzze? [There was no response.] Thank you both very much. Is there anybody else in southern Nevada who would like to testify in opposition? We will come to northern Nevada.

Rusty McCallister, representing the Professional Fire Fighters of Nevada:

I signed in as neutral today, but after further consideration, I am stuck between being neutral and opposing. Essentially, the reason I would say I am neutral is because I find the provisions within the Speaker's bill to be not unlivable. They are certainly changes that could further stabilize the system. I would oppose the bill, just philosophically. Last session we made many, many changes to the PERS and to collective bargaining; and it seems that those were, one, overlooked and, two, they were permanent changes to the system—agreed upon, negotiated out, and made in return for temporary changes to the revenue stream within the State of Nevada. We traded, if you will, permanent changes to PERS and a collective bargaining system for temporary changes in the state's revenue structure. Certainly we would hope that, if this is going to move forward, that it would be included in discussion as a permanent fix to the revenue stream rather perpetuate the continuation of piling permanent fixes on the shoulders of public employees while we have temporary fixes to our problems. If I might clarify—there was an article in the newspaper today that talked about this issue. The article's author seemed to be a little bit confused, in that he stated that the Speaker was bringing a bill to change call-back pay for firefighters. This would change the call-back policy for all public employees, not just for firefighters. Thank you, Madam Chair.

Chair Kirkpatrick:

Thank you. Does anybody have any questions? [There was no response.]

Michelle Jotz, Director of Government Affairs, Las Vegas Police Protective Association:

I will not repeat what Rusty has already said. We are comfortable with holding with the concessions we made during the 75th Session. That being said, we appreciate the need for stability in the system and support section 1 of the bill, but oppose it overall. Thank you.

Chair Kirkpatrick:

Does anybody have any questions?

Assemblywoman Neal:

Can you explain the call-back situation? How does this apply in your situation?

Michelle Jotz:

Are you talking about for current employees versus new hires?

Assemblywoman Neal:

Correct.

Michelle Jotz:

In our organization whether or not call-back pay for current employees qualifies as PERS compensable is determined by the sheriff. For new hires, under the new program, call-back pay would not be subject to a PERS contribution.

Chair Kirkpatrick:

Michelle, maybe a good example might be your homicide detectives?

Michelle Jotz:

Or hostage negotiators? Yes, ma'am. Our hostage negotiators are SWAT officers, homicide detectives. When they are called out on something that is considered an emergency, call-back applies.

Assemblywoman Neal:

How would section 8 apply to that? Your compensation would be capped, right?

Michelle Jotz:

As I read it, yes. From year to year, you cannot have a 10 percent increase in your PERS contribution.

Assemblywoman Neal:

What are the negative implications for you?

Michelle Jotz:

I honestly could not answer that. I could get that information and get back to you.

Assemblywoman Neal:

Okay.

Chair Kirkpatrick:

Are there any other questions? Mr. Dreher, you might be able to answer that for Ms. Neal and Ms. Jotz?

Ronald Dreher:

For many of us in PERS, when we are called out we get time and a half compensation. This would eliminate the PERS-compensable section of that.

That is the problem with that particular section. Regulations changed when PERS made all employees hired after July 1, 2008, subject to the provisions of emergency callback, as determined by the sheriff down south, or the city manager or county manager in the rest of the areas. This would remove callback from the system completely, beginning January 1, 2012. The people who work major crimes and who are called out constantly, such as homicide detectives, would no longer get PERS-compensable amounts. They would still get the time and a half, but it would not be PERS, compensable anymore.

Michelle Jotz:

If I may, promotions are excluded in section 8. If somebody worked to get promoted, and that caused the increase to exceed 10 percent, that would be excluded. Does that make sense?

Assemblywoman Neal:

Yes. So you would work and get time and a half, but you would not get credit from earnings over the 10 percent, so it would be like working without being able to contribute to your own retirement?

Michelle Jotz:

That would be correct.

Assemblywoman Neal:

I see; thank you.

Chair Kirkpatrick:

Are there any other questions? [There was no response.] Would anybody else like to testify in opposition to A.B. 405? [There was no response.] With that, we are going to close the hearing A.B. 405 and open the hearing on Assembly Bill 477.

Assembly Bill 477: Revises provisions relating to the administration of the Public Employees' Retirement System. (BDR 23-1028)

Dana Bilyeu, Executive Officer, Public Employees' Retirement System:

Assembly Bill 477 is a technical bill that makes no substantive changes to the retirement act. Its purpose is to respond to guidance provided by the Internal Revenue Service (IRS) for maintaining plan qualification of the trust under the Internal Revenue Code, section 401(a). The system has already received a plan qualification letter from the IRS in 2003, but the IRS issues periodic updates to that process.

The bill's total change to *Nevada Revised Statutes* (NRS) Chapter 286, which is the Public Employee's Retirement Act, and NRS Chapter 218C, which is the

Legislature's Retirement Act is the removal of the date referenced to the Internal Revenue Code in certain sections. The IRS has indicated this change is necessary due to changes in those provisions since the referenced date.

The other references to the Internal Revenue Code that are within both those acts will remain with the dates that are in there. Many of them are grandfather provisions allowed by the IRS code. The judicial system is not affected, as the provisions of that plan came into effect in 2001 and thus do not contain the same language at this point.

This guidance is part of several modifications, all of which are technical and requested by the IRS through the update to our plan qualification letter. Most can be done by policy pursuant to NRS 286.200, which provides that the system can adopt policies necessary to comply with federal law.

The system cannot, however, adopt a policy that is contradictory to the act itself, so we cannot adopt a policy removing the dates from the act. That can only be done by the Legislature.

Plan qualification is important for several reasons. First, the members of Nevada PERS accumulate the benefit on a tax-deferred basis, meaning that while you are contributing into the system you are not paying taxes on the salary and the compensation that is coming to the system, but when you retire and you begin to receive that as an annuity, you will be paying income tax on the benefit itself.

Second, the system is able to recoup foreign taxes paid on foreign investments only with the use of the IRS plan qualification letter. Currently, we have outstanding foreign tax reclaims of more than \$7 million. So, it is very important, when we are investing in overseas corporations, for us to be able to get back our taxes that we have paid in those foreign countries and repatriate them back into the trust. With that I am happy to answer any questions.

Chair Kirkpatrick:

Thank you, Ms. Bilyeu. Does anybody have any questions?

Assemblyman Livermore:

I appreciate Mrs. Bilyeu being here this morning, and I accept her professional opinion about what we need to do in this bill.

Chair Kirkpatrick:

Thank you. Are there any other questions? You know, Dana, I just do not move things out the same day. Tomorrow we are having a large work session. With that, would anybody else like to testify in support of A.B. 477? [There

was no response.] Is there anybody who would like to testify in opposition to A.B. 477? [There was no response.] Is there anybody who would like to testify as neutral on A.B. 477? [There was no response.] Do you have any final words? [There was no response.] With that, we are going to close the hearing on A.B. 477 and open the hearing on Assembly Bill 334.

Assembly Bill 334: Exempts from the limitation on the total proposed budgetary expenditures for a biennium any expenditures for the purpose of satisfying an unfunded federal mandate. (BDR 31-1009)

Assemblywoman Peggy Pierce, Clark County Assembly District No. 3:

Thank you, Madam Chair and members of the Committee, for hearing Assembly Bill 334. And I actually have an amendment in mind. The first thing I want to do is to walk you through this part of *Nevada Revised Statutes* (NRS). In 1975 a formula was established to regulate how much the Executive Department budget could increase. This is in section 1, subsection 2, and it takes into account population growth and inflation or deflation. From the formula results the cap for the proposed budget for the Executive Department for each biennium with a couple of exceptions that are described in section 1, subsection 1.

A lot of people do not know about this cap because we have never really come very close to it in all the time since 1975. We have the smallest government in the country. For the last 30 years, we have progressively decreased the size of our government. So even though we have been, for most of those years, the fastest-growing state in the country in terms of population, we never really have come close to that cap. Sometimes we are just under it, but for a long time we did not even come close, because we raised, when I was here in 2003, something like \$883 million in taxes, and even then we did not hit the cap. Although there is no cap for us and the cap is on the executive budget, we do not go over it because to do so would create chaos. If we had a budget that was way over the cap, the first thing the Governor would have to do the next biennium would be to cut out everything we had added. And even if we wanted to put it back in, we would just have this constant chaos. So we too adhere to the cap.

I did not give you any exhibits, so I am just going to have to tell you these numbers, so you can write this down. The cap for this 2011-2013 biennium is \$7,818,869,731. Before the Governor starts his budget process, the agencies put out a budget which includes the spending from the biennium before and maintenance costs, so that if case work has increased, for instance, adjustments are made to accommodate. Enhancements are not made and programs are not added. Nothing is added that would not make it more possible for people to be on programs; adjustments are made only to accommodate

costs projected for the programs already in place. That number, which I think was put out in November or October, was \$8,345,385,970, so it is over the cap. The Governor presented his budget which cut things way back, so what I want to talk about is the fact that we go close to the cap. If the economy had been better, we would have hit the cap at this point.

Now we all know that we are ranked 49th or 48th or something like that, nationally, in terms of funding education. Everything I have ever read says to me that education reforms are fine and useful, but the idea that money does not have anything to do with good education is just a fantasy. Our Governor likes to cite Florida, but missing from his illustration is that, if Nevada funded education at the level that Florida funds education, Nevada would have to add over \$700 million a year to its K-12 budget. And that is a chunk of change. I have a hard time believing that that would not make a difference. On this bill, I wanted to amend out what I have in there and just say that if we ever want to seriously do something about education in this state, we must address this part of NRS, because there is no way to add money to K-12 leaving this the way it is. So I suggest with this amendment that we think ahead and take the Distributive School Account (DSA) out from under this cap so that when our economy recovers we can act.

We talk a lot about supporting education, and hopefully in the future we will do that. We will actually begin to fund it. I am not suggesting anything radical like Senator Schneider, who suggested we fund education at the national average. But even if we wanted to think about funding it at 44th in the nation, we cannot do it. So that is my presentation—that we should take the DSA out from under the cap in this part of NRS and hopefully at some point begin to fund education in a way that will improve the system for the citizens of Nevada. I will take questions.

Assemblyman Goedhart:

I understand we are quite low on the bottom of the list when it comes to per capita funding per student. I think we should consider the other side of the holistic picture, which says that Nevada falls about in the middle, somewhere between 23rd and 25th, in per capita government expenditures. That speaks to the bigger, broader issue of the tax dollars we have, and how we prioritize and allocate them based on the needs of the community at large. Thank you.

Assemblywoman Pierce:

I think a large part of what you are talking about is Medicaid. I have been meaning to have a conversation with you about that and I will, but not right now.

Assemblyman Goedhart:

Thank you.

Chair Kirkpatrick:

So let me go back and reiterate. You are going to take everything out of this bill and submit a one-line amendment that says the DSA is not subject to the cap that is in place. For the Committee, the cap has been in place for many, many years. We have never reached it, although we have gotten very close. In 2007 I think we were close and Senator Raggio looked at addressing it.

Assemblywoman Pierce:

I am not sure, Madam Chair. I have someone looking at this, and he was making a lot of notes, so I think in the end it might not be one line. But that is basically all I am talking about, taking out all the blue that is here and replacing it with something that just takes the DSA out of that formula.

Chair Kirkpatrick:

And for the secretary, the DSA is a Distributive School Account, which the state is required to fund. We give it away and we have to make up the difference. We always are required, as the state, to do that piece.

Assemblywoman Pierce:

Yes, Madam Chair.

Chair Kirkpatrick:

The cap formula that has been in place includes many mechanisms, all used with respect to funding our state priorities.

Assemblywoman Pierce:

Right, there are just a couple of exceptions in section 1, subsection 1, other than construction and reducing an unfunded accrued liability of the state retirees' health and welfare benefits fund. And those are the only exceptions for things that are not under that category.

Chair Kirkpatrick:

Thank you. Are there any other questions for the Committee? [There was no response.] With that, is there anybody here who would like to testify in support of this? [There was no response.] Is there anybody who is in opposition? [There was no response.] Is there anybody who is neutral? [There was no response.] Ms. Pierce, we will look forward to that amendment, and we will close the hearing on A.B. 334.

I did commit to time certain on Assembly Bill 468, which is a redevelopment bill, because we have rolled it the last couple of days. So now we are going to

go to Assembly Bill 545, a fairly large bill on the population cap that has to be adjusted based on the census. I have been through 90 percent of it, because you have to include every single statute that may be affected by a population cap. There are a lot of requests to put amendments on it. We determine whether or not we believe that should or should not happen. Anytime we talk about population caps within our state, this is the bill. Mr. Malkiewich, welcome to our Committee. We look forward to hearing from you.

Assembly Bill 545: Makes changes to the population basis for the exercise of certain powers by local governments. (BDR 20-548)

Lorne Malkiewich, Director:

The Legislative Counsel requested that Assembly Bill 545 be presented to you. We are not urging or opposing the bill, just putting this issue in front of the Legislature. Many of our bills include population thresholds. You will see something referring to a county or a city whose population is more or less than a certain amount. We do this because of *Constitution of the State of Nevada*, Article 4, Sections 20 and 21, which deal with special and local acts, and Article 4, Section 25, requiring uniform county and township government. The Nevada Supreme Court has held that you can use population thresholds and still satisfy those constitutional provisions.

The preliminary chapter of the *Nevada Revised Statutes* (NRS) has a definition of population, NRS 0.050, which says that whenever a statute refers to population, it means the population as of the most recent census. These will all change with the new census, and that is the reason this bill is before you. Effective July 1, 2011, to the extent that some of this population is changed, the statutes that apply to it may be changed as well. Do you have to change these statutes? No. You do not have to change any of them. The point of this bill is that you think on it, that the Legislature reviews the standards and determines wherever there is a population classification it ought to apply to the county and cities with populations above or below that level, as is explained in section 314. We had to have a starting point for the bill. There are a few documents on the Nevada Electronic Legislative Information System (NELIS) that make up the memorandum from the Legislative Counsel Bureau (LCB), "Population Breaks for Counties, Population Breaks for Cities, and Population Classifications" (Exhibit H). If you look at the population breaks for counties, you will see how we put this together. The first two columns of that document show the populations and population breaks for 2000 and then for 2010. To the extent possible, this bill has the same counties and same cities affected by statutes as are currently the case. So if something previously applied to only Churchill and Humboldt Counties, this bill says it will still apply only to Churchill and Humboldt. But you do not need to do that. What you want to do is to review the statute and determine it is a statute that should apply to these

counties, and set the standard appropriately. Keeping standards status quo is just a starting point for discussion. A few counties and cities have grown so fast that you cannot just adjust the standard and have the same statutes apply to them. These are the exceptions.

Looking, for example, at the population breaks for counties, you can see that in 2000, Lyon County's population was 34,000 and Nye County's was 32,000. All statutes relating to counties with populations above 30,000 applied to both, as did all statutes relating to counties with populations below 40,000. Since then, Lyon County has grown much faster than Elko and Douglas Counties. And its population is now higher. So looking at the 2010 chart and the population break, you can see that with Lyon's population higher than that of Elko's, statutes that apply to Elko and Douglas, or to counties that large or larger, will apply to Lyon. Similarly Lincoln County's population was once less than Mineral County's; since it is now higher, however, Lincoln County will be subject to the few statutes that apply to Pershing, Lander, and Mineral Counties, because Lincoln's population falls somewhere in the middle of all of those.

With respect to cities, the populations of the Cities of Mesquite and Fernley have leaped ahead of Boulder City. The relevant population classifications apply now to all four of those cities. Once again, you do not have to do this. You do not have to make these changes, or you can make different changes. You can determine you want all of these statutes to apply to these four counties, cities, or for none to apply.

On page 3 of the memo ([Exhibit H](#)) you will see the specific statutes that are affected; Lyon County is most affected by these changes. The important thing is to review these classifications, and if you think that you want the same statutes applying to the same counties, you leave the section in the bill. If you want to change it, amend the bill. If you want to have it return to the way it was, you simply take the section out of the bill. As far as other changes, the fourth document on NELIS, "Population Classifications," shows all of the population classifications and statutes. Between that and the document showing the population breaks for counties and cities, this Committee can determine which statutes you want to have applicable to what counties and cities.

I know you have other proposals for changes here and that is perfectly appropriate. The point of the bill is to review the classifications, determine which ones to keep and which ones to change. So on July 1, 2011, when those new population totals take effect, the statutes will apply to exactly the cities and counties to which you want them to apply. I will be glad to answer any questions.

Chair Kirkpatrick:

Thank you, Mr. Malkiewich. Does anybody have any questions? [There was no response.] Is there anybody that would like to testify in support? The way that it works in this Committee is that if you would like to bring an amendment, please do so during neutral testimony. Is there anybody in support of A.B. 545 as it stands? [There was no response.] Is there anybody in opposition to A.B. 545 as it stands? [There was no response.] Is there anybody who is neutral on A.B. 545?

Tim Kuzanek, Captain, Washoe County Sheriff's Office:

Although it is a large bill, the amendment the Washoe County Sheriff's Office would like to ask you to consider only entertains 13 lines of the entire document, section 42, on page 35, lines 37 through 43, and on page 36, lines 1 through 6 ([Exhibit I](#)). The laws that exist right now indicate that when a county hits a population of 400,000, the sheriff is no longer required to do certain things, such as attend the district court in person or by bailiff, or obey the lawful orders and directions of the district court, or execute process, writs, or warrants of the courts of justice, and a few other things. In our estimation, now that Washoe County has achieved a population in excess of 400,000, by retaining the original language and not increasing the population number to 700,000, this will become for us enabling legislation and provide an opportunity for us to have discussion at the local level which would include all of the interested parties— those in the district courts, in our civil sections, or anybody else who might be interested in the requirements or the processes we use in Washoe County as it relates to these issues. Because we would like to engage everyone involved, we would like to retain the existing language at 400,000. I would add that we have testified in front of this Committee many times on the issue of bringing as many folks together as possible in our county in order to garner agreement on how we can work more efficiently and effectively in the future, and we see this particular opportunity as a means to do this.

Chair Kirkpatrick:

Are there any questions from the Committee? Have you checked with Washoe County? Are they comfortable with that?

Tim Kuzanek:

I spoke with John Slaughter this morning, and he is checking, but to my knowledge he has not received a response yet.

John Slaughter, representing Washoe County:

Mr. Kuzanek's representation is correct. We absolutely do not oppose the idea of bringing together the groups to talk about this. So in the fact that it is enabling, we do support that. I think it would be a good process to get those groups together to discuss the appropriate levels of service.

Chair Kirkpatrick:

I just want to be clear when it goes to other side that we have had that dialogue, because I know sometimes, on the other side, people come out of the woodwork. So I am clarifying.

Assemblyman Anderson:

I do not really have an opinion on the amendment. Considering the population cap, why was Washoe not already included in this? Did somebody decide to apply it to Clark County but not to Washoe County?

Chair Kirkpatrick:

I think that, depending on the timing and the issue, the legislation and the monetary demands, there are times when the rurals do not have equal capabilities and flexibility. I will not speak for you, but I would love to see everything apply across the state. But our state is unique in that we have different pockets in it.

Tim Kuzanek:

I absolutely agree with you. We have seen that be the case for many statutes that have come across the table over the years. I would add that, in this particular case, the reason I asked for the amendment in the way that I did, to retain the existing language, is so that Washoe County will be the only county affected. Clark County has been long affected by this, and the small areas are not affected. Washoe County's population growth has matured to the point that we can handle having a discussion like this, and we would appreciate the ability to do that at the local level, to make these decisions at the local level. That is exactly why I put it together as I did.

Chair Kirkpatrick:

Are there any questions?

Assemblywoman Benitez-Thompson:

This is a comment for the record, not necessarily for the testifiers. I want to acknowledge for the record that I reviewed two letters of opposition to this bill which addresses the district and constituents I represent. I do not agree with the content of these letters, and the letters were not signed, so I do not have enough information to respond directly to the people who submitted them. But I want to acknowledge on the record that I read their concerns.

Chair Kirkpatrick:

Are there any other questions?

Ronald Dreher, representing the Peace Officers Research Association of Nevada:

I want to express our support of Mr. Kuzanek's testimony and ask that you also support it.

Chair Kirkpatrick:

Is there anybody who would like to testify as neutral on A.B. 545 or bring your amendments? Now is the time to bring your amendments.

Ronald Dreher, representing the Washoe County Public Attorneys' Association:

You have in front of you a document titled "Washoe County Public Attorneys' Association," which is on NELIS, and you also have, which we could not put on NELIS, an exhibit that has six tabs. It has a cover page, and we are going to be referring to that for a second. We are not asking for anything other than that sections 43 and 46 remain intact, with the population at 400,000. I have also asked Mr. Ben Graham to speak when I finish. I have two public attorneys with me, both members of the Washoe County Public Attorneys' Association—Sean Sullivan and Paige Dollinger. Our president of the association, Kelli Anne Vilorio, wrote a cover letter for you, a brief overview of what we will be talking about in a moment. It is on NELIS. She could not be here because she is in a grand jury hearing in Washoe County. I am going to turn it over to Mr. Sullivan, if that is all right with you.

Chair Kirkpatrick:

Yes, are you still just on section 43?

Ronald Dreher:

Sections 43 and 46 on pages 36, 37, and 38 of the huge bill that you have in front of you. On the brief that you have on NELIS, the same provisions are outlined on the final two pages of that, and I left pages 36, 37, and 38 there, for ease.

Chair Kirkpatrick:

Mr. Sullivan, as we go over your amendment, are you picking and choosing from the statute, or do we need to follow through the entire statute?

Ronald Dreher:

Let me answer that. In light of what Mr. Malkiewicz said, that if you wanted to leave this alone you may, we would be asking that these things be removed from this bill and that you leave well enough alone. We are asking that the 400,000 population break you see at the bottom remain, rather than be changed to 700,000. We are good with the rest. No one wants to change the rest of the two statutes that are cited.

Chair Kirkpatrick:

Let me clarify. The number does not mean anything. Washoe County wants to be the same as Clark County or it wants to be left alone?

Ronald Dreher:

They want to be similar to Clark County in that they want to be part of the merit personnel. If you raise it to 700,000, they will not. If you leave it at 400,000, it will be the same as in Clark County and every other county, which is the intent of this particular bill. Currently Washoe County is the only county that excludes public attorneys from being part of the merit system, as you will hear.

Chair Kirkpatrick:

But you could actually go lower than that and say any county over 100,000, or whatever your new number would be, so that you would be automatically included. Is that the correct intent?

Ronald Dreher:

That is correct, Madam Chair.

Sean B. Sullivan, representing the Washoe County Public Attorneys' Association:

I am requesting an amendment to pages, 36, 37, and 38 of A.B. 545, sections 43 and 46. I agree with my colleague who just spoke. We are specifically asking to exempt NRS 252.070, subsection 6, and NRS 260.040, subsection 6 from a change in the 400,000 population mark within the statutes. And we respectfully request that these two statutes remain intact as currently written.

This exception would allow public attorneys in Washoe County to be subject to a merit personnel system which would, as far as I understand, go into effect July 1, 2011 or thereabouts. To my knowledge, Washoe County is currently the only county in the great State of Nevada that does not include its public attorneys in a classified merit system. As you may already know, all counties under the 100,000 population mark, and Clark County, which has a population over 700,000, are on a merit system. Washoe County is the only county in Nevada which fits in this slot and retains an at-will, rather than a merit-based personnel system. If amended to change the population to the 700,000 mark, it would not allow for a merit-based system. There is no fiscal impact, to my knowledge, from Washoe County keeping the 400,000 mark intact. The vast majority of Washoe County, including most department heads, already implements merit-based systems. Exempting these two statutes from the proposed population change will have little or no effect on department heads

and how they practice in Washoe County, because they already have a merit-based system in practice.

On June 28, 1992, Ben Graham was a lobbyist for the Clark County District Attorney's Office, and he testified in front of the Senate Committee on Government Affairs. The testimony is in your packet, I believe, in tab 6. At that time Mr. Graham told the committee that the Clark County Public Attorney's Office had approximately 100 attorneys and, because of Clark County's growth, it was time to change and to implement a merit-based system. I would like to echo his sentiment and his comments. The merit system will provide for uniform hiring, discipline, and discharge procedures, and is basically codifying general practices that have been used for quite some time. It would eliminate any gray areas and bring any body of case law regarding hiring and firing. With that, I am certainly open to any questions.

Assemblywoman Flores:

At one point you said that you currently have an at-will type of situation because you are exempt, and all that this applies to is Clark County, currently. You said you would like to go the merit-based system but also that that would have little to no effect, that everything you want to be done is currently being done, but that you want to codify it. So other than just wanting to codify it, what would this change? You are currently practicing some sort of merit-based system, but you called it at-will? These statements confused me.

Sean B. Sullivan:

My understanding is that most department heads currently practice a merit-type-based system, but there is nothing on the books that would indicate it as such. It is something that they do as a matter of course to be good bosses or figureheads for the departments and for good rapport with the employees. This is something already in effect, but there is nothing indicative in the statutes. We are trying to have Washoe County come in line with all the other counties, including Clark County, and go to a merit-based system. Nothing has been codified at this point in time.

Ronald Dreher:

I can also answer Mrs. Flores. If you look at tab 1, at the bottom, NRS 245.216 currently provides that the department heads can do this, and they have exempted 3 percent of the attorneys that they could do it for, but they are still at will because of the population mess. If we acted based on the current census, and not until it starts July 1, 2011, Washoe would qualify now for the merit-based system. In all respects, as Mr. Sullivan said, department heads, for the most part practice that, in effect. But it is just not in law. So if someone new came in, they could feasibly terminate everybody in the place. In 1993 Mr. Graham raised that point; it could potentially happen, and we are

trying to prevent that. We have tenured people here. There are about 100 public attorneys in the Public Attorneys' Association in Washoe County that would be affected. That is what we are trying to stop. Does that help? Okay, thank you.

Chair Kirkpatrick:

Is there anybody else who has any questions? [There was no response.]

Paige Dollinger, representing the Washoe County Public Attorneys' Association:

I am here to request your support in amending sections 43 and 46 of A.B. 545 as it is currently written. As Mr. Dreher and Mr. Sullivan both stated, the Washoe County Public Attorneys' Association (WCPAA) amendment ([Exhibit J](#)) would merely leave the population requirement of 400,000 intact and not raise it to the 700,000 mark. I do not want to belabor any of the points; Mr. Sullivan really covered most everything we wanted to make in terms of comments to the Committee. I would just add that, while most Washoe County employees are in a merit personnel system, Washoe County public attorneys are not. I believe that is what Mr. Sullivan was referring to when he indicated that our department heads already employ the merit-based personnel system for a lot of the employees, but that excludes the attorneys at this point. This would simply add the public attorneys into that system. As far as that goes, on behalf of the WCPAA, we definitely want to be included in the merit personnel system. Especially during these unstable economic times, it would give employees some heightened predictability in terms of their respective departments and where they stand. And it would increase stability when there is a change of the guard and prevent a mass exodus of attorneys on a political whim, based on a new department head coming into the picture. I think that is certainly an equitable argument on behalf of the attorneys. I am open to any questions.

Chair Kirkpatrick:

Are there any questions? [There was no response.]

Ben Graham, Private Citizen, Las Vegas, Nevada:

I am just here as "Old Ben" from the story's standpoint, my efforts from 1993 having been mentioned. It happened to be an early effort of mine and was a fun operation involving Senator Raggio and others. The reasoning that existed in 1993 for Clark County has certainly now caught up with Washoe. In 1993 the public defenders were not included in the merit system, but after a few years they were. If somebody wants to terminate you, it would not take very long to follow you around and probably come up with a reason why you might decide to resign or be terminated. So there may be some argument that this limits the ability to "manage your shop," but I do not think that is a valid argument when your shop gets to the size that it gets with the professionals that you need for continuity. Thank you.

Chair Kirkpatrick:

I just want to clarify that you support the change?

Ben Graham:

Yes.

Chair Kirkpatrick:

Thank you. Are there any questions? [There was no response.] Is there anybody who would like to testify as neutral on A.B. 545?

John McCormack, Rural Courts Coordinator, The Supreme Court of Nevada:

With your indulgence, I would like to make a couple of comments regarding the amendment that was proposed by the Washoe County Sheriff's Office.

Chair Kirkpatrick:

Go ahead.

John McCormack:

The Supreme Court of Nevada has a concern because if section 42 were to be amended as the sheriff proposes, there would not be a statutory requirement for anyone to provide any security for the citizens of Washoe County who access the Second Judicial District Court. Marshals are allowed in Clark County, but their amendment does not contemplate raising that threshold, so it could, theoretically, result in the Second Judicial District Court and the citizens accessing it having no security protection whatsoever.

Chair Kirkpatrick:

Can you tell me what statute addresses the marshals?

John McCormack:

I would be happy to get it to you. It is also contemplated in this bill, but I cannot remember the section off the top of my head.

Chair Kirkpatrick:

Okay, thank you. Are there any questions?

Howard Conyers, District Court Administrator, Second Judicial District Court:

I would also like to speak in opposition to the proposed amendment from the Washoe County Sheriff's Office. And until this amendment surfaced I thought we had an ongoing dialogue and an ongoing relationship with the Sheriff. They provide screenings in three buildings in which our court sits, in addition to the security mentioned by this bill. They screen over one million people per year, so there is a great public safety issue involved. As you know, many of the people that come to court do not want to be there and come in a highly agitated,

emotional condition, and it is a great concern for me that the public be well presented in this. We have ongoing discussions, as I mentioned, with the Sheriff's Office; in fact, we have another security meeting scheduled with our judges, and the Sheriff or his designee, scheduled for May 2. I was on the phone yesterday with the Sheriff's Office seeking information, sent three emails during the day to their security officers, and so I think we have an ongoing relationship that is working. Although we did not see this amendment until this morning we have been aware of it, and our judges have voted overwhelmingly, in fact unanimously, to oppose it, because the service we have been getting from the Washoe County Sheriff's Office, and the cooperation between the entities has been good, and it has been good in the sense that it serves well the people of Washoe County and the judges. So I would just like to have our opposition noted and would be happy to answer any questions.

Chair Kirkpatrick:

Thank you. Section 47 is the next section and talks about the bailiffs. I think Clark County's system works pretty well and allows for smooth access to the courts. So do you just not want it, period, or would we include the other piece of it?

Howard Conyers:

Madam Chair, we think our system works well, too. As several people, including, I believe, yourself have highlighted, one of the unique features of our great state is the ability to solve these issues as is best for each locality. We have found a solution which works well with ongoing dialogue with the Sheriff's Office. I understand that Clark County's system works well for those in Clark County; but no more than I would suggest imposing what we do on them, would I suggest imposing what they do on us.

Chair Kirkpatrick:

Okay. I am just trying to be clear. Are there any other questions? [There was no response.] Is there anybody else who would like to testify as neutral on A.B. 545 with any amendments? [There was no response.] We will go ahead and reopen the testimony on opposition.

[Gary Schmidt, Private Citizen, introduced himself and mentioned he came in late and missed some previous testimony.]

Chair Kirkpatrick:

Mr. Schmidt, your letter looks like you have an amendment, because you want to go back to the old way. We typically do that as neutral testimony, so are you just in opposition?

Gary Schmidt, Private Citizen, Gerlach, Nevada:

I have not seen any amendments.

Chair Kirkpatrick:

Are you not, yourself, proposing an amendment to the original bill?

Gary Schmidt:

No, I oppose the original bill on a multitude of grounds ([Exhibit K](#)).

Chair Kirkpatrick:

Oppose altogether. Then I misinterpreted your letter. Okay.

Gary Schmidt:

I was concerned about that. When I first entered the room, I heard there were two letters in opposition, unsigned. And, of course, I have a signed letter, and I know another citizen, Terry Tiernay, has an extensive letter in, signed, and I speak somewhat for him today, as he could not be here. I did speak earlier on Assembly Bill 257, and I am here to speak on A.B. 545. I have a few, perhaps, rhetorical questions to ask, but not really. How many of you have read the bill? Two hundred and eighty-one pages; I have not. And I will move on.

Chair Kirkpatrick:

Thank you, because I have read the bill, and most of my Committee has as well.

Gary Schmidt:

And I will also ask, how many of you happen to be lawyers, if any?

Chair Kirkpatrick:

We are a citizen Legislature, so you and I can personally have this debate outside, or you can be in opposition, but nobody is going to question the integrity of what this Committee is set out to do. I have not let it happen from the beginning of this session, and I am not going to let it happen now.

Gary Schmidt:

Well, they are rhetorical questions. First of all I oppose the bill, because of Articles 1 and 4, and Sections 17 and 21 of the *Nevada Constitution*. This bill affects 107 specific statutes with almost 400 changes. Article 4, Section 17 says that no bill should address more than one issue. I have sat here just a few minutes and heard eight or ten issues. There are, at a minimum, 107 issues, 107 different statutes, and almost 400 changes. There are multiple changes within individual statutes. Additionally, Article 1, Section 21, of the *Nevada Constitution* says that all laws shall operate generally and uniformly throughout the state. We all know this population threshold was set up some 30 years ago to distinguish between Clark and Washoe Counties, and rural

counties and really rural counties. It has never been challenged in court, and I would submit that that proves that the original population threshold scheme was designed to hold the status quo so that the state Legislature can pass laws specific to Clark, specific to Washoe County, specific to the not-so-rural rural counties, and specific to the rural, rural counties.

Chair Kirkpatrick:

Mr. Schmidt, I appreciate your passion. And if you would like to go through the 107 sections relevant specifically to the present discussion, I would like to hear about those, please.

Gary Schmidt:

I am concerned about them for the reasons I have already stated and placed on the record here, today, and I appreciate that opportunity and your patience. I have not had time to examine all 400 entries, because I just got it ten days ago. I have been trying to get it for three months. The Legislative Counsel Bureau (LCB) denied access to it, saying all the work on it was confidential. So I have not had time to address them all.

Chair Kirkpatrick:

Mr. Schmidt, when the bill is dropped, you have the same amount of time as everybody else. We have a very open process, and I will defend the LCB, my staff, and my Committee to the end. I am happy to have that conversation with you outside. People are working many, many hours to ensure that things become part of the public process, so you are not going to win that argument with me. If you would like to talk about the 107 sections, I am happy to do it. That is a statement I made the first day of session, and that is the statement I will make on the last day of session. There are many people who work to make Nevada citizens part of the legislative process. So on to the 107 sections, or we can just take a break.

Gary Schmidt:

I appreciate your placing that on the record multiple times. The specific section I would like to address and have had the opportunity to review for some months now in anticipation, over actually some years, is the section that raises the population threshold for counties in the state from 400,000 to 700,000 and, respectively, the requirement of seven county commissioners as opposed to five county commissioners.

Chair Kirkpatrick:

Which section is that?

Gary Schmidt:

That is section 2, on page 2. Coincidentally, it only affects Washoe County. I would call attention to Mr. Tiernay's submission, and I will not take too much time except to say that Washoe County has two incorporated cities and a county commission, and there are basically six elected representatives of the City of Sparks, five voting and a mayor, who can override or break ties. Reno's population is about 200,000, and it has seven. The population of Sparks is at about 80,000. The population of Washoe County is about 416,000 and has five representatives. The county is grossly misrepresented or unrepresented or does not have a parity representation as do the two cities. So I think the law as it is currently written is appropriate. It was anticipated some decades ago that when a county reaches 400,000, it should have seven county commissioners to represent them. There is no reason for this particular provision to, sort of, artificially raise that threshold to 700,000 and maintain only five representatives on the county commission in Washoe County. There has been no public process in Washoe County. There has been no time on the agendas regarding this proposed bill before Washoe County, before the City of Reno, or before the City of Sparks, and it is necessary for those entities to take a public position. Having missed Mr. Slaughter's testimony, I will look at the record later. But Washoe County has no position, and neither do the Cities of Reno and Sparks, since they can only establish a position through a public process, which has not been the case.

And I will not get into an argument or a discussion with you about the LCB having sponsored this bill, and I know the LCB has no direct "dog" in the fight about the number of commissioners in Washoe County or any other county in the State of Nevada. The county commissioners represent unincorporated residents and they represent those who live in the incorporated Cities of Reno and Sparks. All of those constituents are represented on the county commission. And if the City of Reno, of Sparks, or Washoe County, or a variety of other public officials wished to change the laws that have been on the books for, I think, 20 years or so, they had the capacity to offer a bill draft request (BDR) to do that. That is carte blanche representation that they had no interest in doing that. They presented no BDR. They had no public process to even consider it.

Chair Kirkpatrick:

Mr. Schmidt, I cannot help what local government does, but all those here would agree that it does not get an easy ride in this Committee.

Gary Schmidt:

I understand.

Chair Kirkpatrick:

But I cannot dictate what they do on that specific issue. However, we, the Legislature that writes the law does have an open process so that people can bring amendments and change different pieces. That is why I said that if you would like to give me the 107 sections that concern you, I am happy to go through them tonight or at an opportunity before it gets to the other side. I cannot speak well to what bill drafts local governments do or do not request. Today is an opportunity for you to address any amendments that you would like changed.

And you do not know me very well, but I am a research person. Regarding section 2, I do not believe that the population was 400,000 when 7 commissioners went in but that it was much higher than that. I believe they worked on an appropriate number to ensure that would suit a population drop, but I do not believe that it was 400,000, and I have lived in southern Nevada 99 percent of my life. So I will go back to see if the population was a little bit higher at that particular time. Are there any other sections within this bill that you would like me to address?

Gary Schmidt:

There are no other sections, but I would like to address what you just said, because you are talking about Clark County. There are five county commissioners in Washoe County.

Chair Kirkpatrick:

I understand that.

Gary Schmidt:

The law currently states as of January 1, there should have been seven. Legal arguments should have happened in 2006, because in 2006 we actually reached the threshold. I understand there are two sides of that legal issue, whether you take the ten-year census or you take the Governor's annual. And let me summarize: I have heard no official opposition. The counties and the Cities of Reno and Sparks had the opportunity to submit a BDR, and they did not do it, so none of those entities have an official position here in support of section 2 of this bill, and I and several other citizens have expressed opposition to changing the law. Therefore, I think it is a nonissue that it should remain at 400,000. Thank you.

Chair Kirkpatrick:

Thank you, Mr. Schmidt. I did document your notes, and we will put everything in the record, so thank you for testifying. Is there anybody else who would like to testify on A.B. 545? Are you in opposition, support, or neutral?

Kristin Erickson, representing the Washoe County District Attorneys' Office:

Richard Gammick simply wanted me to state that he is opposed to the amendment as submitted by the Washoe County Public Attorneys' Association.

Chair Kirkpatrick:

Thank you. For the record to be clear, that is in opposition to section 43, subsection 6, and section 46, subsection 6, as well. Correct? [Chair Kirkpatrick got an affirmative response.] Okay, thank you, Ms. Erickson. Does anybody else have any questions? [There was no response.] With that, do we have any other testimony on A.B. 545? [There was no response.] We are going to close the hearing on A.B. 545, and we are going to take a break, because I did promise time certain for the redevelopment bill, Assembly Bill 468. We will have a work session next on Assembly Bill 1, Assembly Bill 179, Assembly Bill 360, Assembly Bill 420, Assembly Bill 454, Assembly Bill 472, and Assembly Bill 544.

Chair Kirkpatrick:

We are going to start with Assembly Bill 179.

Assembly Bill 179: Revises provisions relating to disciplinary action against a state employee. (BDR 23-841)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 179 ([Exhibit L](#)) was sponsored by Assembly members Anderson, Conklin, Segerblom, Carrillo, and Senators Manendo, Parks and others. It was heard in this Committee on April 8. This bill prohibits an employee from being demoted, dismissed, or suspended without pay unless the employee has been given training, been warned and told of certain policies. The bill in its original form also set forth various requirements regarding the policies and procedures and the process for undertaking disciplinary actions. Assemblyman Anderson presented the bill, and there was support and neutral testimony as well as requests for amendments.

The sponsor submitted a proposed amendment at the hearing, and then after the hearing some further minor amendments were made to address concerns raised at the hearing. If you turn the page, a mock-up is attached for ease of reading rather than creating an extremely colorful mock-up. This encapsulates the changes made to the existing statutes by the bill now. This was reviewed by the American Federation of State, County, and Municipal Employees (AFSCME) and the Department of Personnel. So you see here that in *Nevada Revised Statutes* (NRS) 284.383 there is still retention of the concept of providing employees with policies.

In NRS 284.385 there is a requirement for consultation with the Attorney General or for the Nevada System of Higher Education (NSHE) that would, instead, be the appointing authority's general counsel. That was the amendment requested by NSHE.

Turning to page 3, regarding internal administrative investigations leading to disciplinary action, this relates to providing notices on a form approved by the Department of Personnel. And with regard to subsection 3, this is the same language that was presented at the hearing with one exception. You will see on line 3 the employee being provided the notice of interview and investigation. This is the wrong version of this, so I apologize. It should read "notice of investigation or interrogation." I apologize for the error. So that would read, "The investigation and determination pursuant to this section, and to those conducted pursuant to *Nevada Revised Statutes* (NRS) 289.057 must be completed and the employee notified of the discipline within 90 days after the employee is provided the notice of interrogation or investigation." With that, I would be happy to answer questions.

Chair Kirkpatrick:

This is the document that we worked off of in Committee with the technical change we asked Mr. Anderson to give us, and he did give that to us right after session.

ASSEMBLYMAN ELLISON MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 179.

ASSEMBLYWOMAN PIERCE SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN GOEDHART VOTED
NO.)

Chair Kirkpatrick:

We will now turn our attention to Assembly Bill 360.

[Assembly Bill 360](#): Revises provisions governing the imposition of civil penalties for violations of city ordinances regarding the abatement of certain conditions and nuisances on property within the city. (BDR 21-266)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 360 ([Exhibit M](#)) was sponsored by Assemblyman Bobzien and heard on March 28. This bill would raise the civil penalty for a chronic nuisance on a nonresidential property from \$500 to \$1,000 per day and would add a civil penalty for abandoned nuisances of \$500 per day for residential and \$1,000 per day for nonresidential. For all three nuisance categories, uncollected civil

penalties over \$5,000 could be added as a special assessment on the property tax bill, but not until 12 months had passed after the final court order requiring abatement and until after the owner had been notified of the charges.

The bill was presented by Assemblyman Bobzien, with the assistance of the City of Reno, and there was support from the League of Cities and Municipalities, and the City of Henderson. Washoe County and the Nevada Association of Realtors proposed amendments. The two amendments proposed were, first, Washoe County asked that this bill be extended to include parallel provisions applicable to the *Nevada Revised Statutes* (NRS) Chapter 244, which would extend these provisions to the counties. Second, the Nevada Association of Realtors proposed to add a definition of residential properties as follows; and, as I noted, took the definition of commercial real estate from NRS 645.8711. So this definition is the flip of that.

Chair Kirkpatrick:

Are there any questions? [There was no response.]

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO AMEND
AND DO PASS ASSEMBLY BILL 360.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Kirkpatrick:

We will go to Assembly Bill 420; and remember that the Committee members have seen these at least 24 hours in advance and they have been posted on the Nevada Electronic Legislative Information System (NELIS) with plenty of time. We did take a short break, so that those concerned that they had not seen them did get to see them.

Assembly Bill 420: Revises the rights of members of the Nevada National Guard. (BDR 36-1033)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 420 ([Exhibit N](#)), sponsored by Assemblyman Stewart, was heard in this Committee on April 8. This bill allows access by designated family members to personal information of Nevada National Guard members, which may be in recorded documents in the county recorder's office. The bill also expands existing protections against termination of employment and the service of lawsuits, and other administrative actions to include periods of training and travel to and from active duty. Also it allows members of the Nevada National Guard who submit a letter of recommendation from the

commanding officer to receive an additional five points on civil service examinations.

Assemblyman Stewart presented the bill with assistance from Command Sergeant Major John V. Hefner, retired, and also testifying in support, though with some clarifying amendments was Steven Osborne, with the Nevada Justice Association. Amendments were proposed at the hearing, and in the mock-up these are essentially the same changes you saw with the exception that in subsection (b), which is lines 11 through 12, Mr. Osborne did change the order a bit to make it a little more clear, but it is still the same basic provision you saw at the hearing. Thank you.

ASSEMBLYMAN ELLISON MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 420.

ASSEMBLYMAN LIVERMORE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Assembly Bill 454: Removes prospective expiration of certain provisions relating to land use planning. (BDR 22-1119)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 454 ([Exhibit O](#)), sponsored by the Assembly Committee on Government Affairs, was heard on April 1. This bill would remove the sunset provision from Assembly Bill No. 74 of the 75th Session, which would therefore keep in place the allowance of four years instead of two for presenting a final map after approval of the tentative map and allow two years instead of one for presentation of successive final maps. The testimony is summarized here, and there was no testimony in opposition.

No amendments were proposed at the hearing, but after the hearing, Assemblywoman Kirkpatrick proposed a germane amendment that would permit additional time for filing parcel maps in counties other than Clark and Washoe Counties. So that would apply to the 15 more rural counties. For parcel maps which contain certain conservation easements totaling 50 acres or more, a conceptual amendment is attached, and you see that this would propose an amendment to *Nevada Revised Statutes* (NRS) 278.468. And for counties whose population is less than 100,000, this would be adjusted accordingly to the new population caps in Assembly Bill 545. But for those parcel maps which contain conservation easements totaling 15 acres or more, they would have three years after the date the map was deemed approved for recording the map. The governing body could grant an additional extension of

up to one year. And then there is a definition of what would constitute a conservation easement.

Chair Kirkpatrick:

As I reiterated during the testimony, this was a bill that we committed to coming back to and looking at on behalf of the Committee. Last time I should have mentioned during the Committee that other states were doing this as well, in order for the economy to turn around. I did also hear of some issues on the filing of parcel maps on the conservation easements, so I did want to include that at this time. Is there any discussion? [There was no response.]

ASSEMBLYMAN GOEDHART MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 454.

ASSEMBLYWOMAN PIERCE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

[Assemblywoman Bustamante Adams assumed the Vice Chair.]

Vice Chair Bustamante Adams:

We will have Assembly Bill 544.

[Assembly Bill 544](#): Provides for uniformity in the definitions of group homes and similar facilities. (BDR 20-675)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 544 ([Exhibit P](#)), sponsored by the Assembly Committee on Government Affairs, on behalf of the Group Home Interim Study was heard in this Committee on April 1. This bill in its original form required cities and counties to adopt definitions related to group homes that are substantially similar to state law for the terms listed in the bill. Assemblywoman Kirkpatrick is Chair of the interim committee which presented the bill. There was testimony in support and also with amendments.

Amendments were proposed at the hearing, as I noted. The Chair directed the interested parties to attend a working group, which was held on April 4. Subsequent to that the attached amendment was submitted for the Committee's consideration, and I believe if there are any questions, Assemblywoman Benitez-Thompson is familiar with the amendment. Thank you.

Vice Chair Bustamante Adams:

I would just like to say I was privileged to be able to sit in that working group that Madam Chair had, along with Assemblywoman Benitez-Thompson, and all their concerns that were raised in the hearing were addressed. With that I would like to entertain a motion.

ASSEMBLYWOMAN PIERCE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 544.

ASSEMBLYMAN GOEDHART SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Vice Chair Bustamante Adams:

We will go to Assembly Bill 1.

Assembly Bill 1: Requires periodic reporting of financial information by certain governmental entities. (BDR S-49)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 1 ([Exhibit Q](#)), sponsored by Assemblywoman Kirkpatrick, was heard in this Committee on March 10. Assembly Bill 1 continues the existing requirement for the Department of Taxation, State Gaming Control Board, Department of Motor Vehicles, Department of Employment, Training and Rehabilitation, State Controller, and Office of the Secretary of State to file quarterly reports relating to taxes and fees. Likewise, the Nevada Commission on Economic Development would continue to be required to file quarterly reports relating to abatements, exemptions, and waivers. The bill sunsets these reports on May 30, 2013. In its original form, the bill also required periodic reports from occupational licensing boards on certain financial information given to the Interim Finance Committee and the Legislative Commission. Chair Kirkpatrick presented the bill, and there was testimony in support, although with some concerns from members of the audience representing licensing boards.

There were amendments submitted at the hearing, and there was also an indication further amendments would be forthcoming. After the hearing, Nevada Association of Counties (NACO) proposed an amendment to add the Office of Energy to the bill, which would be reporting on abatements and exemptions. Subsequent to that, there were further amendments proposed by the sponsor.

Turning to the mock-up ([Exhibit Q](#)), NACO's proposed amendment is on page 2, in section 2 of the bill. And on page 3, section 3, subsequent to the hearing the

sponsor has proposed, instead of periodic reports by the occupational licensing boards, that there would be a single report due December 1, which would set forth information on the holdings of the occupational licensing boards as of October 1, 2011, and provide information going back and covering the preceding year. The other changes are on lines 25 through 28, were presented at the hearing, and I believe that these dates are set to tie in with Assembly Bill 474, which is the sunset subcommittee bill, which would start reviewing boards and commissions; this report would enable them to have the value of this report.

Vice Chair Bustamante Adams:

Do we have any discussion? [There was no response.]

ASSEMBLYMAN ANDERSON MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 1.

ASSEMBLYMAN ELLISON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

[Assemblywoman Kirkpatrick reassumed the Chair.]

Chair Kirkpatrick:

At this time we are going to go to Assembly Bill 472.

Assembly Bill 472: Revises provisions relating to youth shelters.
(BDR 20-1134)

Susan Scholley, Committee Policy Analyst:

For the audience, after the work session document was copied for the public, there was a proposed amendment that was handed out separately there on the table with the work session document ([Exhibit R](#)). The Committee members do have the amendment in your notebooks. Assembly Bill 472 was sponsored by the Assembly Committee on Government Affairs and heard on April 7. This bill eliminates the authority of a county to approve youth shelters. To qualify for civil immunity for a youth shelter, the director and employees, et cetera, would have to apply with all applicable requirements to the city or town in which the shelter is located. Assemblyman Conklin presented the bill and there was testimony in support.

Although no amendments were proposed at the hearing, after the hearing the sponsor proposed the attached amendment. Turning to the mock-up, I only included page 1 of the mock-up in the interest of saving paper. There were no other changes to the bill. But you will see here on page 1 that they have taken

out the references to the youth shelter satisfying applicable requirements of the ordinance of the city or town in which it is located. It is my understanding, from the cover email that came with the amendment, that the youth shelter having to comply with local ordinances would be required in any event. So this language would be unnecessary. Thank you.

Chair Kirkpatrick:

Are there any comments? [There was no response.] Is there a motion?

ASSEMBLYMAN LIVERMORE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 472.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

[The work session concluded at 11:25 a.m.]

[The meeting resumed with Vice Chair Bustamante Adams at 11:39 a.m.]

Vice Chair Bustamante Adams:

We will open up the hearing on Assembly Bill 468.

Assembly Bill 468: Revises provisions relating to redevelopment.
(BDR 22-1118)

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

First, I would like to start with a little bit of history on this particular subject. The last couple of sessions I have been trying to get my arms around how redevelopment dollars are spent within our state. The first session I did a huge report from every individual redevelopment agency and put it all together so that we could actually see the best practices and try to focus on what everybody could be doing better in order for the public to be part of the process. I have been beating my own city on redevelopment since 2005. We have continued to work with them, and we have extended their redevelopment area. I live in the City of North Las Vegas, and since I was on the planning commission in the early 2000s I have watched us do literally nothing except get a new ampm, a new El Pollo Loco, and a Taco Bell. To me, that is not quite redevelopment. Residents deserve more. They want to work, live, and play in their own district. Since 2005 I have been having this discussion, and I am very passionate about it, because I believe that redevelopment was designed to get rid of blight and to make old neighborhoods better.

Every single entity across the state was very helpful in getting that report done last session. The City of Elko submitted its stuff, and it is doing a pretty good job with redevelopment. Rural areas participated, the areas in the north, the Cities of Reno and Sparks, and those in southern Nevada, too. The City of Henderson probably had the best layout on the impacts, and I think some entities have gone more in that direction. Last session there was a bill, after all of that, to get some reporting requirements in, because we could identify in what ways we could do a better job for the public.

There were two bills, actually. One involved former Speaker Buckley trying to go back and reevaluate local governments for the purpose of protecting the school districts. What happens with the school districts, for those of you who are unfamiliar with redevelopment, is that when we create a redevelopment district we freeze the rates or the base within that area. So the school districts may not see an increase in their funding, although the property values may be increasing and should be increasing, because the point of redevelopment is to bring those property values up for the length of the term of redevelopment. There are also juvenile justice system dollars that are frozen along with a long list of rates that are frozen. That bill was vetoed by the Governor, overruled in the Assembly, and it failed on the Senate side.

I also worked with Dr. Hardy, who was then an Assemblyman, on a bill which would put educational uses into redevelopment. Our most vulnerable schools tend to be in redevelopment areas, and we should work as a whole to rebuild all of that. That bill passed the Assembly and the Senate. I am going to be not politically correct on this, but the Senate then took it as a hostage vehicle. And it became part of the legislative process. I was mad about it for a long time. I worked with Dr. Hardy on that bill, and the definition of redevelopment has been changed many times, at least ten times over the years since redevelopment became part of our statute. That bill then finally passed out of the Senate 10:30 on the last night, but it had a \$15,000 fiscal note on it, care of the Senate, and all that bill did was require a reporting mechanism. The Governor said he would veto it anyway, so we took it back on the Assembly side at 11:47 p.m. I had assurance from Senate members that they would process it as soon as we moved it back over to them and they took off the fiscal note. To my colleagues and my own regret, I agreed to send it back so they could take it off with eight minutes left. They had the amendment, but midnight struck and the bill died.

So I am a little bit passionate about redevelopment, because I have been working on it for a very long time. In the interim, I spent a lot of time seeing what other states did. I have arrived at this. It is proven in other states to work. I think that this does help the public become part of the process. I can go through the pieces of the bill with you. Ms. Neal is going to address sections 10 through 16.

The first part of this is on a reporting mechanism which is something that I have tried to put in place for a very long time. This is consistent with what Utah, Illinois, and Virginia do. This allows us to actually have a report to ensure that we are redeveloping these blighted areas. I believe that our downtowns are the hub of any good city. I think that San Diego has worked well with its redevelopment, as have Denver and Nashville. It encourages people to live down in the older parts of the neighborhoods and to use the retail establishments and facilities that are down there. It encourages people to stay invested. You should not have to move because the demographics in your neighborhood have changed or because the neighborhood is in the older part of town.

In my city, I live in the vicinity of Craig Road and Decatur Boulevard, and I have lived out there most of my life, since it was dirt. We have watched neighborhoods age and exciting things added elsewhere in the city, while the residents who have lived in downtown North Las Vegas for a very long time have the same tired 50-year-old library and same bare parking lot on the corner of Civic Center Drive and Eastern Avenue. It has no shrubbery, no parking stalls, no parking requirements, and I think those people deserve to live in the same kind of neighborhood as Aliante, or the group which, at the time I started this, was the newest and the most exciting district out there.

That is my reasoning for this fight. I am willing to take it on. In Utah and Illinois, their standards for reporting are much higher. They require a lot more, but I felt that, as with anything, Nevada is unique, and we have to work within what works for Nevada. The first part of the bill talks about a reporting requirement so we can see that there is constant movement forward on this bill. I will let Ms. Neal talk about section 10 and then I will come back to finish.

Assemblywoman Neal:

Thank you, Madam Chair. Even in the City of Las Vegas, the redevelopment area encompasses Wards 1, 3, and 5, which happens to be a slightly larger area than in North Las Vegas. There has been significant blight in those areas and a need to increase the kind of development so you can have growth through business and competition, and then have housing grow up around it.

Sections 2 and 3 create the citizens' advisory group, which would have the capacity to review all of the issues addressed in sections 10 through 13. The citizen's advisory group will then have the capacity to review the loan agreements and the kinds of plans put forth within the areas. So when you go over to section 14, the added language is that now the redevelopment agency or the legislative body will have the capacity to loan money to finance development. In a normal situation they give the money away, but now you

have a loan arrangement and a financing arrangement where you can get repaid the money you give out in order to pursue development.

Section 15 is a piece on transparency, where the redevelopment agency is expected to file annually with the Committee on Local Government Finance a detailed report explaining the revenues, expenditures, the map, and the scheduled end date of the redevelopment plan. Then, it is expected to deal with the assessed value of the taxable property, and the combined overlapping tax rates in the redevelopment area, and then provide a written and electronic copy of each agreement about sale of real property or any other document relating to that redevelopment project. So basically there is now a reporting requirement where you have to show what you engaged in, why you engaged in it, and all of the details of the project, to make sure it will accomplish the goals it was supposed to accomplish within redevelopment.

Section 16 adds a date for the percentage of revenue received before October 1, 2011, providing an additional window that may not have existed with the statute before. Subsection 1(b) gets into the set-aside. There is already a set-aside within redevelopment right now, where 18 percent of the revenue is set aside. It says "low-income households" but it is actually going to say "affordable households." It is not necessarily about trying to regenerate low-income households—or those below 50 percent of the average median income (AMI)—but rather targeting households with incomes in the range of \$30,000 to \$78,000, to provide a better composition of homeowners who pay taxes at a higher rate. So that 18 percent set-aside is going to be split up between two goals, and that is described on page 10, in sections 4 and 5. You will have 9 percent that will now go to affordable housing and then the other 9 percent to the educational facilities.

Madam Chair mentioned that the term "educational facilities" is meant to include organizations like the Boys & Girls Club, or other kinds of educational facilities that happen to be a part of the redevelopment and which fall under the idea of "improving and preserving the number of facilities," in the area, but not just schools. The intent is not to rebuild and add onto schools. I was asked if the money could be used for removing portables and then replacing them with a permanent structure, but that does not reflect the goals of this section. The rest of the bill includes sections 2 and 3, where you have the capacity to allow the citizen advisory group to review all the other sections that are associated with the redevelopment.

Assemblywoman Kirkpatrick:

I do want to follow up on a couple of things. The revolving loan is consistent with what other states do and gives us the ability to regenerate the redevelopment dollars. The reevaluation piece goes back to my thought on

allowing you to go back, after a time and before another redevelopment area is created—and I learned this from the Commonwealth of Virginia, which is pretty conservative but which is really very smart about economic development and redevelopment. I tend to look to them for a lot of things because, for one, they are constantly generating new businesses. They always say, “Come to Virginia, because . . .” And if you look on their websites they will tell you that they have a great education system, a great health care system, a great transportation system, all the important pieces of planning. But they do go back and reevaluate their properties to ensure that those funds that have been frozen are upped, so that they are not at a stagnant, complacent place for 20 years.

I have been on the opposite side of many folks on redevelopment for a long time. But I see investing and reinvesting in neighborhoods which 20 years later are again redevelopment areas. I understand the local governments’ concerns and want to work with them; however, at the same time, we are obligated to insert ourselves with respect to the schools and juvenile justice and other things. The University Medical Center of Southern Nevada is among the things that are frozen in Clark County. This would allow us to go back and reevaluate to make sure the property value has increased. I think that is very important.

On the 18 percent set-aside, I know I have to adjust the language a little bit here to clarify so agencies have the flexibility and capability to spend the full 9 percent one way or another. It has been the case for years that the City of Las Vegas has been the only entity that has been required to do that set-aside. The set-aside does a couple of things, and I want to clear up any miscommunication about why I would be requiring this of every entity. Most importantly it allows them a separate revenue stream off of which to bond. So not only does it allow them to save for a time, but it allows them a separate revenue stream off of which to bond.

The City of Las Vegas has put their set-aside toward low-income housing; however, the need is not there today as it was in 2007. They do not have enough housing need in Elko, depending on when the mines are going, for this set-aside, so this too would allow them a savings account as well as an additional revenue stream to go out and to bond. The intent of the language was to allow for the City of Las Vegas to expend its money within the redevelopment communities.

I spoke with the former Speaker Barbara Buckley, and this was her language, and I would hope that it would not be changed as soon as I leave, just as I did not want to go in and make changes as soon as she left. She was very comfortable with the educational facilities and I think that was relevant to their goals for Boulder City at that time. I truly believe that a lot of our educational facilities are within our redevelopment areas and that we can take advantage of

an opportunity to support them, as well as bring those areas up to par in their entirety.

I realize that there will be some cities outright opposed to section 16, subsection 1(b); but, it would provide them additional revenue off of which to bond and help enable them to develop a master planned community as they go forward with redevelopment issues.

There is another piece I want Ms. Neal to clarify, about the citizens' advisory committee, because it is very important to her portion of the district. I realize that different agencies with different redevelopment areas will need to focus on different priorities. I spoke with Reno Mayor Cashell this week, and he was comfortable with having an advisory committee for each redevelopment area. There is a redevelopment area in Henderson without plans yet attached to it, so until it is Henderson's intent to move forward with changes to that area, they will hold off on creating an advisory committee there. Currently in Henderson it has what is considered a brownfield, and may need an advisory group simply made up of business owners and area citizens. I can clarify that language for local government if I need to, but I did want to point out those couple of things, because I think they are important and relevant to the case.

Assemblywoman Neal:

In the City of Las Vegas, historically, redevelopment plans have been implemented, at times, without adequate public input. So the City Council could engage in discussion on how projects would impact the community, what benefits would result, would we have the ability to work via contractor or subcontractor, and so on. Then, when the projects materialized, the tax base affected could not see the benefit within their actual community. They saw it downtown or on the Strip, but they did not see it on Martin Luther King Blvd., they did not see it going toward Lorenzi Park—and those were the kinds of issues that came up. A citizens' advisory group should hear the different opinions and take them into consideration before final decisions are made. Additionally, it has been assumed that residents within redevelopment areas do not have the skills or training to help in the direct implementation of projects. But citizen advisory group meetings could be a venue for members to determine whether or not community members have the capacity to directly participate in projects. They could also discuss the realities around contracting and subcontracting and if that might involve work opportunities for residents. This is important to me and has been a constant battle.

Assemblywoman Kirkpatrick:

I agreed to extend the time frame 15 years for existing projects about to expire because, although I am confident that many good things will come from establishing these parameters, I disagree with the 60-year extension, since I will

not be here long enough to see it, nor will my children or grandchildren. I hope that future legislators hold local government accountable for project follow-through.

That said, we have examples of successful projects in this state. The City of Elko has done a really good job with their little convention center, and Henderson has done a great job with its downtown. The City of Las Vegas has done a good job with its downtown also, but if it is to have extensions there has to be some real accountability. We must see some movement with existing redevelopment agencies. I fight with my own city because I want more than a Taco Bell, an El Pollo Loco, and an ampm. I want those residents to have some real discussion.

Mr. Goedhart, Mr. Stewart, Ms. Pierce, and Mr. Munford were all here when they assured us that there was going to be some real change. You probably remember the most contentious hearing we had—I wanted to sell popcorn because it was so contentious—but still nothing has happened. Thank you for your indulgence. It is a very complicated issue and I wanted to make sure you understood the history and the intent going forward. I am happy to work with fixing section 16 to address Mr. Ellison's concerns. Not many of the rural counties do redevelopment. I think Elko does as does Carson City. I will address their issues. Another that came up and I have not had time to work with the Legal Division on, is that Reno also has an issue around whether or not it would be helpful to include its set-asides from 1999. I need to work with Legal on it. I am not sure it would be helpful for them to be able to pay its current bonds back, and I have not had the time to talk to Legal about how to specifically address that situation. But the 18 percent set-aside is something Las Vegas has been doing for a long time, and I think that others can utilize it to the benefit of those redevelopment communities.

Vice Chair Bustamante Adams:

Thank you. We have a question from Mr. Livermore.

Assemblyman Livermore:

Redevelopment is always a topic of some controversy when a bill spells out how things are to be done. I want to go through the bill, and I have a couple of questions. You talk about the creation of an advisory committee and you also talk about appointment of a second council. One is an advisory committee and one is an advisory council for redevelopment. I hope the council does not present to the committee. But what is the difference? One is on page 5 and the other on page 2. Are those the same?

Assemblywoman Kirkpatrick:

That is language already in place, and it is different across the state. Currently some city council members are also responsible for redevelopment, so that is current language. We added "citizens' advisory committee." The intent of section 3 was to be able to get reports back from the committee, but I can clarify that with Legal, but it does say, "A legislative body shall not . . ." on page 3, line 1.

Assemblyman Livermore:

I just want to make sure we do not want to work multiple committees.

Assemblywoman Kirkpatrick:

No, and we have a citizens' advisory committee in this state, but I cannot remember which entity it is; but, the other language is existing, and that is how the council determines it.

Assemblyman Livermore:

Would you consider a population element in here so that Clark County can make whatever necessary changes it needs but which would allow the rural counties some margin of discretion?

Assemblyman Kirkpatrick:

I know this sounds terrible, but no. I receive calls from Carson City. Carson City had some real issues last session along with Douglas County.

Assemblyman Livermore:

Somewhere along the line we might be able to accomplish something. I propose that, on page 16, with regard to the procedural elements, adding an annual audit, specifically to review and check the details of the redevelopment procedures, either with an internal audit department, or perhaps it would be prudent to hire an independent auditor to make sure that the merits of the law were followed. I would think that would go a long way to justify questions that might be out there about the appropriateness.

Assemblywoman Kirkpatrick:

But this is not just about Clark County. If you have a redevelopment agency, you should have your citizens involved.

Assemblyman Livermore:

I am not suggesting that you not have citizens involved. I am suggesting that, on an annual basis, that everything relevant to projects—fees and contracts, for example—are reviewed to make sure that the intent of your bill is satisfied.

Assemblywoman Kirkpatrick:

Do you mean in addition to the initial reporting? I am good with that.

Assemblyman Livermore:

I am only trying to enhance your ability.

Assemblywoman Neal:

I was looking over the language, and I have to say to my colleague from Assembly District No. 1, that the way that the insertion of language happens—and I did not recognize this—but, there already is an advisory council there, and it took applications, so now it looks like the citizen advisory group would oversee that council; to have two overlapping groups doing the same function may not be the goal. That first group, originally, was only dealing with residential plans, but now it has been expanded. So how this actually gets applied probably does need to be reevaluated.

Assemblyman Munford:

This is, to me, a very good and critical bill and something that has been needed, especially in relationship to my district, District No. 6. I think we qualify for a lot of redevelopment in our area. And I guess the redevelopment agency is the City of Las Vegas? I could go on and on, and Assemblywoman Kirkpatrick and I have discussed this many, many times. I hope this bill will do what it is supposed to do and help bring some improvement in my district, because I know my district qualifies as blighted, neglected, ignored, forgotten, and it needs a lot of changes and improvements. I hope this opens the door and makes some things possible, because the need is there, and it is great. It is great and it is deep. Thank you.

Assemblywoman Neal:

You will be happy to hear, Mr. Munford, there are two bills. Senator Horsford had his Senate Bill 360 heard today, and it actually has some other pieces that will impact some of the discussions we have had within the community. He inserted a few really solid pieces that were in my bill.

Vice Chair Bustamante Adams:

Are there any other questions from the Committee? [There was no response.] We are going to go ahead and move into neutral testimony for A.B. 468.

Frank Hawkins, President, National Association for the Advancement of Colored People, Branch 1111, Las Vegas, Nevada:

I checked all three boxes upon signing in, because I do support redevelopment, but I sent in some amendments, also, and I would be more than happy to speak to those.

Vice Chair Bustamante Adams:

For the Committee, the amendments under this bill are under yesterday's date and should be up on the Nevada Electronic Legislative Information System (NELIS).

Frank Hawkins:

I am a former city councilman, and I worked for the City of Las Vegas in the 1980s in redevelopment and economic development. I am a developer and general contractor, and I build affordable housing and commercial buildings. Additionally, I am the president of the local branch of the National Association for the Advancement of Colored People (NAACP), and in that capacity I present my opinion today. We support redevelopment, and I did have the opportunity to testify on S.B. 360 earlier today, and we did send an amendment there, too, because there are a couple of issues that come up in talking about chronic low-income residents and their employment opportunities.

We want to make sure from the east side of Las Vegas to the west side of Las Vegas, and in all redevelopment areas, that everyone has the opportunity to participate and that they are provided jobs. I want to say for the record, it is vitally important that we do not exclude public work projects. Because if you exclude public work projects, then that means the low-income people these bills are trying to help will not get help, because they will not be able to work. And the other question is the issue of the project labor agreement (PLA), which creates a conflict that needs to be addressed. With the PLA, the city can say it wants the developer to do A, then give a contract to the developer, who hires a general contractor who decides he is going to do a PLA again. The residents for whom we want to ensure employment are potentially excluded. So for A.B. 468, those are my comments as related to S.B. 360.

My understanding is that most redevelopment bills are used as a cap, and we never utilize the redevelopment agency to sponsor and/or build projects in whole but only in part. In reading A.B. 468 I just want to make sure that that is still the case, and that we are not going to allow governments to start making financial loans to build entire projects. Under section 16, there has been some language added about educational facilities and there is reference to higher education. I am not sure what the makers of the change are trying to do. As I read the bill, they want to be able to take at least 50 percent of the set-aside money and use that for housing and/or educational facilities. I think there needs to be a definition for the term "educational facility." And I do not know where the 50 percent came from, but I would profess to you guys and submit, if you look at the history of redevelopment, part of the obstacle of building affordable housing has been the requirement of the prevailing wage, which drives up the affordable housing cost by some 40 percent.

Could the bill be amended whereby the prevailing wage does not apply to affordable housing but would only encompass other housing—high-rise, mid-rise, market rate—because the exorbitant cost of prevailing wage is part of the reason we are not getting affordable housing in the redevelopment area? Also, my familiarity is with the City of Las Vegas, and Las Vegas had an advisory committee in the past, and some agreement with the culinary union, and I do not know if the Committee has taken that into consideration. But the bill says that the advisory committee is to have at least seven members. I would just offer up that it needs to be a combination of residents and businesspeople from the redevelopment area. And then under section 1, where it says the citizen advisory committee is not required, I would strike “not,” because you want the committee to review the proposed redevelopment projects.

The committee should have staggered years so that everybody does not come on together and leave together, because then you have no history to pass along. And, is the legislative body that the bill refers to, the city or the city’s appointment, not a legislative body of citizens? I would like that to be clarified on the record. And then under section 11 we start talking about “A residential plan created by an advisory council must be approved by the agency, and each residential plan created pursuant to this subsection must include a financing plan.” I have no problem with that but, as a developer, general contractor, and a guy who deals with financing every day, what does that mean to you guys as the creators of the bill, and how do you want to see that facilitated? I think that is important, so that in two years people do not come back and complain about not having clarity and not being able to move anything forward.

And then pertinent to section 13, which talks about an employment plan—the City of Las Vegas, within the last couple of weeks, adopted an employment plan. We would like to see that included in the bill as an exhibit, or whatever needs to be done to ensure that what they have adopted as a policy for the city becomes the intent, not only of the city, but also of the Legislature; and perhaps we need to define that for cities over certain populations, like 300,000. We feel, however, that an employment plan is critical for ensuring that chronically low-income people in these census tracts, in the redevelopment area, have an opportunity to go to work. And speaking to NRS Chapter 338, it will conflict with this, and I want you to be acutely aware of that, and I think that will need to be addressed.

At the end of the unrevised bill that I have, at the end of section 14, where it talks about whether or not the value of the land or the cost of the construction of any building facility structure, other improvement or installation of improvement will be paid or provided initially by the community or by some governmental entity, I am not understanding what “community” means. Community is referenced three different places here. If we are going to keep

that in there—I recommend we strike it—but if we keep it in, I would like to know the definition of it and to whom we are referring.

In section 16, subsection 6, I believe it says, “except as otherwise provided in paragraph (b) of subsection 1 and subsection 5, the agency may expend or otherwise commit money for the purposes of subsection outside the boundaries of the redevelopment area.” We are 100 percent against taking any redevelopment money and spending it outside the redevelopment boundaries, unless all of the concerns about the blight and conditions within the redevelopment area have been satisfied. So we would definitely like to see that struck.

Let me talk about section 16 and educational facilities. I also serve on the Bond Oversight Committee for the Clark County School District. I hope this language is not geared toward pushing money to the school district or higher education, because there are enough challenges for the small businesses and residents within any redevelopment agency in the State of Nevada. If it is somebody’s intent to push money toward the local government, I am going to submit to you now what is going to happen. If you give money to ABC School to rebuild, add on, or provide operations, ABC School will divert the money that it already had earmarked. So we would not get any benefit. We cannot have the schools or higher education divert funds somewhere else and use redevelopment money as filler, and I hope that is not the intent. But I support redevelopment, for the record. Thank you.

Cadence Matijevich, representing the City of Reno:

I am so pleased to hear that the Chair had an opportunity to speak with our mayor and that they had a chance to talk about our clarifications. The Chair did refer to the first of those concerns. The City of Reno does have a citizens’ advisory committee for our redevelopment agency. It is our Redevelopment Agency Advisory Board. That is a nine-member board and the chairman of that board serves as an ex officio member of our redevelopment agency board, so we do have quite a bit of citizen interaction. Because we have two redevelopment areas within our redevelopment agency, this bill would require us to establish separate individual citizen advisory committees, and I understand from the Chair that our mayor has agreed that we will do that. Certainly I will go back and confirm that with him, but if that is the intent of the bill we are willing to move forward with that. I have some concerns with section 15 on page 8, line 33, which talks about a reporting requirement, that the redevelopment agency must submit a report to the committee on local government finance. All of the information, with the exception of the provisions in paragraphs (i) and (k), are already included in our Comprehensive Annual Financial Report (CAFR). And so to avoid duplicative reports, we were hoping that possibly the pertinent sections of that CAFR, along with the items in

paragraphs (i) and (k), would suffice. And further, I believe in section 16, page 10, line 20, where it gives the definition for existing obligations for which the 18 percent set-aside would be subordinate, it does not appear to include agreements, or amended and restated payment agreements, on some of our projects, that happen instead of going out and bonding. What we have done is enter into agreements with the developers whereby, if the increment is created, they get that increment after it is created rather than getting it up front. We would want to make sure there are no impairments to those contracts. So we seek to have "agreements and amended or restated payment agreements" included in the definition of existing obligations.

Mary Walker, representing Douglas County:

In my past life, I was Carson City's Finance Director, but also for many years the Redevelopment Director, so I had an opportunity to go down to Clark County, Las Vegas, and to tour all the redevelopment districts within the State of Nevada. I understand fully what you are trying to do here, and I really applaud the passion of the Chair and Ms. Neal and Mr. Munford. I think that what you are trying to do here is very laudable.

I want to state that I am standing in for Michael Brown, the Douglas County Manager, who has been here tirelessly over the last several days and regrets not being able to make it here today. Douglas County has a redevelopment district and authority they put in place many years ago, primarily for the function of economic development and job growth. Douglas County is just south of Carson City, so if you go south and pass the turnoff to Lake Tahoe and go up the hill, you will see shopping areas. Those shopping areas which have got a Home Depot and Walmart and those types of things, make up the primary area of the Douglas County redevelopment district. It only has one school facility—one educational facility within the boundaries—because the majority of the education facilities in Douglas County are outside the boundaries of the redevelopment district. Therefore, we support all of the provisions with regard to accountability, submitting reports, and all of those things.

Where we have a problem is on page 9, section 16, subsection 1(b), which is the part about the set-aside of 18 percent, and where it talks about that the 18 percent be set aside to increase and preserve the number of dwelling units for low-income households and educational facilities within the boundaries of the redevelopment area. We only have one educational facility in the entire Douglas County redevelopment district, and that is Jacks Valley Elementary School. It is a national award winning school. As far as low-income housing, we have a small subdivision there but, for the most part, the entire district is pretty much commercial. We do not believe that the expenditure of these funds for low-income housing or for educational facilities is applicable to our redevelopment district, because we are all about economic development and

jobs. Also we appreciate that you may be able to use these monies to bond for those types of functions, educational facilities or low-income housing, but again, to use the funds in such a way, we do not believe fulfills the objectives of the Douglas County economic redevelopment district. So we would respectfully request an amendment be made to opt us out of that. I think that is pretty much true for the smaller rural areas. While I know in the urban centers this bill is very applicable, we do not believe it is applicable to our smaller rural areas.

Assemblyman Ellison:

Under subsection 1(b), you said you do not have many low-income houses, but what about senior facilities? Could that be used for senior facilities? The maker of the bill says that it can. And you do have a senior facility down there, right?

Mary Walker:

Not within our redevelopment district, not to my knowledge. The area is primarily commercial, although it has one school and includes a little area of Genoa; but if you know Genoa, it is one of the historic, first communities in Nevada, and I do not believe there is any senior housing within the redevelopment district.

Assemblyman Ellison:

It does not have to be senior housing, but perhaps a senior facility.

Mary Walker:

I do not believe that we have one in Douglas County, but I can check with Michael Brown. It is pretty much commercial shopping centers.

Lawrence Werner, City Manager, Carson City:

It is my office that acts as staff for the Carson City Redevelopment Authority. A lot of our questions were answered today. I was most concerned about sections 2 and 16. Like the City of Reno, we also have a citizens' advisory committee. We have two project areas within our redevelopment authority, and we were kind of unclear whether this would require that we create a single committee or if it would allow us to have two committees, because they are pretty disparate areas. One of them is the downtown area, and the other one was developed for trying to retain the automotive dealers in rural south Carson. I think we could make it work either way, but it would be nice to know we had the option to have a committee for each area. We are concerned, like Mary Walker, about section 16 and having the ability to actually do anything practical with the amount of money in the set-aside. Our total income for the combined total area of redevelopment is \$1.6 million per year. And the 18 percent set-aside is about \$300,000 per year, and we are struggling at this point to try to do some of the debt service coverage that we have, some of the

ongoing obligations we have for traffic signals. When we take all those out of there, we are not left with much to do some of the downtown promotional things that we would like to do, one of them being the Nevada Day Parade. If we take the money out of redevelopment for the set-asides, then the ability for special events, which is part of our plan, is jeopardized. Maybe the Committee would consider using the advisory committees in certain-sized areas to set priorities and allocate funds. Each one of our areas has a separate and distinct plan with unique goals and objectives, and we believe we should have the citizens' advisory committee decide how and where to direct those funds.

Vice Chair Bustamante Adams:

Seeing no questions, we will go to southern Nevada.

Ricki Barlow, Councilman, Ward 5, Las Vegas City Council:

I am in support of the bill draft A.B. 468, with one caveat, and that would be the deletion of section 16, subsection 6, which reads, "Except as otherwise provided in paragraph (b) of subsection 1, in subsection 5, the agency may expend or otherwise commit money for the purposes of subsection 1, outside of the boundaries of the redevelopment area." There are a number of residents within the redevelopment area that are unemployed, and many businesses that could use major assistance. The fundamental purpose of designating the redevelopment area is to address blight and need and to uplift the community. I believe that utilizing those dollars that are generated within the redevelopment agency should remain within that area in order to satisfy that intention 100 percent. There may be a nexus as to why in fact we utilize those dollars outside of the redevelopment area, but I believe that betrays the purpose. And so on that moral principle, I request that this line item be deleted from the bill in its entirety. Overall I am in support of the bill moving forward. Thank you, Madam Chair.

Vice Chair Bustamante Adams:

Seeing no questions, we will move forward:

Lisa Foster, representing Boulder City:

I had signed in opposed, but as I have listened to the sponsors of the bill and the interest in some flexibility for rural areas, I have changed that to neutral and have also heard that some folks in the city have a better understanding of this too, now. But I will put some comments on the record. The City of Boulder City supports much of this bill wholeheartedly, including the new citizens' advisory committee and the enhanced reporting provisions. We feel that this will help improve transparency and demonstrate to our citizens our intent to be the best stewards we can be with their tax dollars.

I have a couple of concerns from Boulder City—and maybe we can work through these—and I appreciate the sponsor's interest in looking at the concerns of small entities. One has to do with the requirement that the city put funds into housing and education in the redevelopment area, after it has paid off debt. So whereas many entities may have some debt and will not be putting funds aside soon, Boulder City at this point has what is called a pay-as-you-go program, and it does not bond for its projects; so it will need to start setting aside money in October, when this goes into place. I appreciate the inclusion of educational facilities. Currently there are no schools in Boulder City's redevelopment area. We have one educational facility I am aware of that is funded out of the city's general fund. So perhaps this could be something that could be funded this way. The way the city describes the concern for housing in the redevelopment area is this: That the redevelopment area was designed to be commercial only and not to have housing. There is only some vacant land and it is well west of the rest of the redevelopment area, and there are no services right now that would be needed, such as sewer, et cetera, with respect to housing. So we would need to look at how that would be implemented, too. Sometimes Boulder City gets caught up with Clark County, because we are not a rural county, so when there is flexibility for rurals, Boulder County is often excluded.

Vice Chair Bustamante Adams:

Seeing no questions, we will move on.

Javier Trujillo, Intergovernmental Relations Specialist, City of Henderson:

I want to thank the Chair for her efforts with this bill, and also for recognizing the redevelopment zone that we have in Henderson is a contaminated mine called Three Kids Mine. We have been working on it for years, and we appreciate her recognizing and addressing that type of zone in her legislation. Thank you.

Vice Chair Bustamante Adams:

Seeing no questions, do we have anybody else neutral? [There was no response.] We will go ahead and transition to those in support.

Scott Adams, Chief Urban Redevelopment Officer, City of Las Vegas:

In my capacity, I also serve as the City Redevelopment Agency's chief operating officer. I particularly want to compliment and thank Madam Chair for bringing this bill forward. I really believe this is progressive legislation that brings Nevada's redevelopment law very much in line with best practices that she has already alluded to in other states, such as Virginia and others. Just as a side note, I have about 34 years of experience in redevelopment and I have worked in six different states, so I have had personal experience in actually working and engaging in a number of best practices situations.

We are very much in support of this bill for a number of reasons. The bill balances, I think, the need for greater transparency and community engagement, and added flexibility with some of the tools available to redevelopers to improve, especially, public accountability of the redevelopment programs. To elaborate, it has already been mentioned that the bill adds the ability to make loans. We have never had that, so we have never been able to recycle funds, and that has already been talked about. But what has not been talked about is the fact that, by giving us lending authority, we can hold a security interest in projects, on behalf of our community and redevelopment agency, to ensure either business or development performance in that project. A lot of times we are in a situation in which it would be great to hold a note, a security interest, to ensure the performance by that business or developer. This enables us to directly secure that performance through some type of note or instrument.

We have already talked about the citizens' advisory committee. We have already formed one. I operated a redevelopment agency in a major city in another state, with an advisory committee, and it works. The committee becomes a sounding board for the agency, the agency being, in our case, our City Council, which sits as the redevelopment agency. It gives them, now, the added dimension of having members representing a broad cross section of the entire redevelopment area who offer advice on matters that come before the redevelopment agency. There are extensive new transparency provisions, such as reporting details of projects, the outcomes of projects, both before they are taken for a vote and afterwards. We are doing a lot of those. For example, we have a requirement now that all of our projects have a public purpose statement connected to, and advertised with, the project. We do not think that is an onerous burden but something that should be done across the board.

Finally, the 18 percent affordable housing set-aside is being expanded to include education. This is an important time for that to happen. We have been in discussions with various educational institutions about partnerships, and it is important to have a source for funds to back up those discussions. At this moment, in the history of our economy and our state, education really is that especial priority important to redevelopment—not that affordable housing is not—but if you do a search right now of any of the realtor listings, you can buy a house within a radius of where I am sitting right now, which is in the redevelopment area, for \$30,000. Four or five years ago that same house might have been \$200,000. Going forward, we might find ourselves in a situation in which affordability becomes an issue again, but today it is not. The issue today is education. This allows the flexibility of investing, for setting aside funds for investing either in affordable housing or education, as the needs are warranted. Those are the reasons we believe this is progressive legislation.

I would indulge the Committee in asking for your support for an amendment we submitted which would extend the current agency's sunset for 15 years over the 45-year original sunset ([Exhibit S](#)). Our agency sunsets in 2031. After this year we will be unable to issue long-term bonds of 20 years or more. We do not believe this is the time to, sort of, pull the rug out from under our ability to effectively use the tools we have available under the statute for promoting redevelopment. We have a number of major projects that are moving forward. In fact, I believe that downtown, in our urban core of Las Vegas, is probably the one area in the state where there is true momentum in job creation and attracting private investment.

I can give examples. We have a number of major construction projects under way, which probably account for a predominance of construction jobs in the Las Vegas Valley. And recently, with the announcement of Zappos moving its corporate headquarters into the downtown area, we are presented with an opportunity to retain a major company and manifest thousands of new jobs for Nevadans. And we may need the tool of an extended sunset and the ability to issue bonds going forward in order to accommodate and continue the momentum we have established in our urban core through our redevelopment agency program. We clearly want to go on the record in support of this enlightened legislation, and I would be available to answer any questions.

Vice Chair Bustamante Adams:

Seeing no questions, we will go to Mr. Mallory.

Jack Mallory, Director of Government Affairs, International Union of Painters and Allied Trades, District Council 15:

I have heard it said before that the best doctors, instead of just treating an illness or an injury, treat the whole person. And I believe that this bill attempts to do that very thing with respect to redevelopment areas and agencies. I think that for businesses to seriously consider relocating, for there to be incentive for them to take part in the redevelopment of blighted areas, there must be a commitment from the redevelopment agency and the local governing body that there will be improvements made to the neighborhoods and educational facilities in those areas. It is a holistic look at the entire picture. I believe the citizens' advisory committees contribute to a greater open process and transparency. With the way that the policy is structured, with the carve-out of 18 percent, I believe having a carve-out of 18 percent structures decision making in such a way as to remove much of the politics that would go into the choices about how to spend redevelopment dollars, since the funding has been dedicated to improving educational facilities and low-income or affordable housing areas. Thus, the local body does not debate whether or not it is going to provide an economic incentive to this business, or if it will spend money to improve a school, because they are two separate and distinct issues. We definitely

embrace the concept of resident participation, and I believe the bill has addressed this to a certain extent, by remembering to organize employment opportunities into redevelopment activities. The Southern Nevada Building Trades Council has been working, and is continuing to work, with outside interest groups on this very issue. We have worked with the City of Henderson and, to a certain extent, the City of Las Vegas, on community workforce agreements that do many of the things Mr. Hawkins spoke about. They create employment preferences for residents of general community residents and those who live in the blighted areas. I disagree with one of his statements regarding affordable housing. He said that prevailing wage provisions inflate the cost of affordable housing projects by 40 percent, but this is a fallacy.

Vice Chair Bustamante Adams:

Mr. Mallory, just for the sake of time, if you would, put your concerns regarding Mr. Hawkins' testimony in writing, please, for the bill's sponsor.

Jack Mallory:

I just have one last point to make. The percentage of construction costs attributable to labor costs vary based on the types and scopes of projects, but on average, they are approximately 14 percent. If there is a 30 percent differential or, as he is claiming, there is a 40 percent differential in the wages and benefits between union and nonunion workers, which is effectively what this means and says, then the math just does not add up. Councilman Barlow, I do live in your ward and appreciate your representation, but I disagree with you regarding section 16 of the bill. We support section 16, in part because if you look at the map of the redevelopment agency in the City of Las Vegas, in the western part of the Valley—and I do believe a good portion of this is in Ward 5—there is a small section.

Vice Chair Bustamante Adams:

So with the concerns you have with Mr. Barlow's remarks, I ask that you provide those in writing for the sponsor, as well.

Jack Mallory:

I am supporting that section of the bill as well as the bill as a whole, and I will be happy to do that.

Nicole Rourke, representing the Clark County School District:

We support A.B. 468 and thank Chair Kirkpatrick for recognizing we need the support at this time and including the provision in the bill that includes educational facilities. Thank you.

Vice Chair Bustamante Adams:

Does anybody want to testify in opposition?

Jo Cato, representing National Association for the Advancement of Colored People, Branch 1111, Las Vegas, Nevada:

I wanted to address the project labor agreement portion. I am actively involved in that in Clark County. There is indeed a 40 percent discrepancy, and I wanted to place that on the record.

Vice Chair Bustamante Adams:

Are there any questions from the Committee? [There was no response.] We will have the bill's sponsors give closing remarks.

Assemblywoman Kirkpatrick:

I will work with those concerned on this bill and consider the good compromises proposed. As I think about the possibilities around educational facilities, I think about my talks with businesses across the country and consider what has been successful in Denver, in San Diego; you could put a training facility in your shopping center, you could open up a community college in your shopping center. At the end of the day, a redevelopment district is only as good as its foot traffic, and is only as good as the rooftops. You need those bodies to come into your district. I think Mr. Ellison had a good point on smaller agencies. They could put in, as Denver did, a senior citizen complex. They had an old office building they made into a senior residence for area seniors who wanted to continue living in familiar surroundings. It brought ancillary businesses, such as the farmer's market which got visitors each and every day. I do not want to belabor the point and am happy to work with everybody; however, not if it means I have to kill my bill by putting a population cap on it. The intent of the bill is similar to what other states have done that have been successful. We need to be successful.

Assemblywoman Neal:

I want to echo what the Chair said about having rooftops and foot traffic, and that is why it is very important to have the capacity to deal with the hiring plan and jobs. No matter what rooftops or foot traffic you put in there, those residents need to have income to spend within the redevelopment area in order to maintain it and to help it to expand.

Assemblyman Ellison:

Can infrastructure be included? If you have redevelopment in a rural area, could you put some money into the county's infrastructure funding for roads and streets or other projects relevant also to the redevelopment projects? That might help them and resolve some of this other—so you can actually take that money and put it into infrastructure? Could that be done?

Assemblywoman Kirkpatrick:

I know there are already tax increment financing funds available and I will look into that.

Vice Chair Bustamante Adams:

The sponsors of the bill are willing to work on the concerns. They are either going to meet later tonight or tomorrow morning, so please check in with them. We are going to close the hearing on A.B. 468. We will take any public comments. Seeing none, we will adjourn [at 1:03 p.m.].

RESPECTFULLY SUBMITTED:

Sheryl Burrows
Recording Secretary

Rebecca Richman
Transcribing Secretary

APPROVED BY:

Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: April 13, 2011

Time of Meeting: 7:29 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 469	C	James Lawrence	Amendment
A.B. 469	D	Kathy Rainey	Amendment
A.B. 257	E	Assemblyman Ellison	Mock-Up
A.B. 405	F	Assemblyman Ocegueda	Presentation
A.B. 405	G	Assemblyman Ocegueda	Changes to PERS
	H	Lorne J. Malkiewich	Memorandum
A.B. 405	I	Tim Kuzanek	Amendment
A.B. 477	J	Paige Dollinger	Amendment
A.B. 545	K	Gary Schmidt	Prepared Testimony
A.B. 179	L	Susan Scholley	Work Session Document
A.B. 360	M	Susan Scholley	Work Session Document
A.B. 420	N	Susan Scholley	Work Session Document
A.B. 454	O	Susan Scholley	Work Session Document
A.B. 544	P	Susan Scholley	Work Session Document
A.B. 1	Q	Susan Scholley	Work Session Document
A.B. 472	R	Susan Scholley	Work Session Document
A.B. 468	S	Scott Adams	Amendment