

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

**Seventy-sixth Session
April 8, 2011**

The Senate Committee on Government Affairs was called to order by Chair John J. Lee at 8:14 a.m. on Friday, April 8, 2011, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator John J. Lee, Chair
Senator Mark A. Manendo, Vice Chair
Senator Michael A. Schneider
Senator Joseph (Joe) P. Hardy
Senator James A. Settelmeyer

GUEST LEGISLATORS PRESENT:

Senator Ben Kieckhefer, Washoe County Senatorial District No. 4

STAFF MEMBERS PRESENT:

Michael Stewart, Policy Analyst
Heidi Chlarson, Counsel
Martha Barnes, Committee Secretary

OTHERS PRESENT:

Tom Collins, Commissioner, Clark County Board of Commissioners
Carole Vilardo, Nevada Taxpayers Association
Andrew Clinger, Director, Department of Administration
Russell Rowe, American Council of Engineering Companies of Nevada
Alisa Nave-Worth, American Council of Engineering Companies of Nevada
David E. Humke, Commissioner, Washoe County Board of Commissioners;
Chair, Interim Technical Advisory Committee for Intergovernmental
Relations

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Debra March, Councilwoman, City of Henderson; Vice Chair, Interim Technical
Advisory Committee for Intergovernmental Relations
Michael Olson, Chair, Douglas County Board of Commissioners
Robert L. Crowell, Carson City Mayor
Joe Mortensen, Chair, Lyon County Board of Commissioners
Chuck Roberts, Vice Chair, Lyon County Board of Commissioners
Cadence Matijevich, Legislative Relations Program Manager, City of Reno
Kathy Clewett, Government Affairs Coordinator, City of Sparks
Ted Olivas, City of Las Vegas
Jeff Fontaine, Nevada Association of Counties
J. David Fraser, Executive Director, Nevada League of Cities and Municipalities
Terry J. Care, Ex-Senator; Legislative Commission's Committee to Study
Powers Delegated to Local Governments
Terri Barber, Chief Legislative Advocate, City of Henderson
Richard L. Osborne, Nye County Manager
Gary Hollis, Chair, Nye County Board of County Commissioners
T. Michael Brown, Douglas County Manager
Constance J. Brooks, Senior Management Analyst, Office of the County
Manager, Clark County
Rusty McAllister, President, Professional Fire Fighters of Nevada
Garrett Gordon, Reno Aces, SK Baseball LLC; Nevada Land, LLC

CHAIR LEE:

Senate Bill (S.B.) 445 looked like it had a policy question, but it does not affect
Government Affairs. I have been asked to rerefer this bill to the Senate
Committee on Finance.

SENATE BILL 445: Allows the Office of the Military to collect rent for the use of
its facilities. (BDR 36-1205)

SENATOR MANENDO MOVED WITHOUT RECOMMENDATION TO
REREFER S.B. 445 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR SETTELMAYER SECONDED THE MOTION.

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THE MOTION CARRIED. (SENATOR SCHNEIDER WAS ABSENT FOR THE VOTE.)

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CHAIR LEE:

I will open the hearing on Senate Bill (S.B.) 393.

SENATE BILL 393: Revises provisions relating to annexation of territory by certain unincorporated towns. (BDR 20-228)

TOM COLLINS (Commissioner, Clark County Board of Commissioners):

A map ([Exhibit C](#)) has been distributed to the Committee to coincide with S.B. 393. We have had a lot of growth, major development agreements and projects within Clark County changing some cross-county boundaries the way the City of Mesquite has been doing with Coyote Springs Water Resources General Improvement District. The December 2008 boundaries show a little white area between Moapa and Bunkerville. The best description is a little strip of no-man's-land where Glendale is located in the Valley above the Weiser Wash. You can also see the Bunkerville and Moapa Valley boundaries.

It took about two years to realign the boundaries of these town boards. On the map at the bottom of the page, you can see the new areas without unmanaged pockets. Moapa took in some of the property, which is 20 miles away from the Bunkerville township. Moapa Valley has been extended along Interstate 15 for future development and growth in the area along the highway. Bunkerville extended to the Moapa Valley line and further toward the Gold Butte area.

What we encountered after this realignment was the District Attorney did not allow this to go to a ballot or to allow the tax districts to automatically change. Moapa and Moapa Valley have a 911 service and Bunkerville does not. Moapa passed two park taxes in its townships. One was a construction tax to build a gymnasium and other facilities in the community. The Moapa Valley area has 200 acres for the Clark County Fair located in Logandale and other amenities, including two swimming pools. Moapa has very little in its neighborhood, so residents voted for a tax to build some facilities and an additional tax to allow for the operation and maintenance of those facilities. It was recommended we get legislative approval to allow that when a township boundary changes, the

tax with the existing township goes with the new boundaries. This is what we are asking for with S.B. 393.

You may want staff to review a couple of questions, such as the definition of municipal tax. Should the language just say, "wherein the act relating to unincorporated towns, extension of the debts, laws, ordinances and regulations and taxes ... ?" We are curious about the definition of municipal and need clarification on whether this is actually an annexation when boundaries are changed. Does the word "municipal" need to be in this bill? We do support having a simple way to correct these issues. The bill states a population with 400,000 or more, but it does not really matter; it depends on what the rest of the State wants. I understand someone from Elko wants to participate in this discussion as well as someone in Pahrump.

CHAIR LEE:

Basically in this bill, the newly annexed territory is subject to municipal taxes levied for the fiscal year following the effective date of annexation. Everything flows into the new annexed area.

MR. COLLINS:

When the boundaries of a township in an unincorporated town change, the taxes need to go with it. The question is whether or not the word municipal needs to be included.

CHAIR LEE:

We will have staff research your question.

SENATOR SETTELMAYER:

Since I am not familiar with the process, how do you annex property? Do you sit down and decide you want to change the boundaries? Is there a public hearing or vote of the people? How does it work? This is just a procedural question because I am not familiar with the concept.

MR. COLLINS:

The municipal cities in the State annex through a statutory process. We had a major development project which owned property in three different townships. Only one of the three townships collected an additional tax, and it wanted the tax to contribute to that township because there were no taxes on the other parcels. In other words, you could have a street going down the middle of

two parcels and on one side there was an additional 7-cent or 8-cent park tax and on the other side there was not. The thought was to get the whole community participating in the same goals for the property. The annexation was really passed by the town boards and the Clark County Commission. The process requires a presentation to change boundaries for the town boards to vote on, then it would be approved by the County Commission. The physical boundary changes are a local government function. Silence in the law did not allow taxes to go with the boundary change. That is what we want to clear up today.

SENATOR SETTELMAYER:

My question was just a procedural question about the process itself. Must it be an open process in which everyone gets to participate?

MR. COLLINS:

Yes, it took two years to accomplish the annexation.

HEIDI CHLARSON (Counsel):

I could certainly add a definition to the bill of municipal taxes to clarify the point Commissioner Collins made, if that would be amenable to the Committee.

MR. COLLINS:

You also received a letter of support ([Exhibit D](#)) from Bonnie Rinaldi who represents the developers in Moapa who helped engineer and generate this bill. This process has been in the works for close to four years.

CHAIR LEE:

I will close the hearing on S.B. 393 and open the work session to discuss Senate Bill 81.

SENATE BILL 81: Makes various changes relating to state financial administration. (BDR 31-396)

MICHAEL STEWART (Policy Analyst):

Senate Bill 81 ([Exhibit E](#)) was brought to us by the State Controller. It establishes a list of all professional and occupational licensing authorities in Nevada to notify when a person who is applying for the issuance or renewal of a professional license or certification has failed to pay a debt owed to the State.

The bill provides that the licensing authority shall not issue or renew such a license or certification to a person whose name is included in the list.

Senate Bill 81 provides that the State Controller will develop and operate a system for matching data to collect outstanding debts and authorizes the State Controller and financial institutions in Nevada to use the State's existing system for the collection of child support for the purpose of collecting these debts.

Senate Bill 81 also adjusts the statute of limitations for when the State Controller may take action to collect debts owed to the State and requires the State Controller to pay accounts payable electronically unless doing so would cause undue hardship to the payee.

There were two proposed amendments. One was to delete section 2 and section 3 in their entirety. These sections deal specifically with the maintenance of the list of debtors by the State Controller and the issuance of professional licenses and agreements with financial institutions.

The second would be to change the statute of limitations for when the State Controller may take action to collect debts owed to the State. The bill states it is for six years, and the proposal is to change it to four years. The reason is because S.B. 31, which was already approved by the Senate Committee on Finance, shifted those dates to four years. This will conform S.B. 81 to S.B. 31, which was approved by the full Senate on March 18.

SENATE BILL 31: Extends the period for the Department of Taxation or a county to take certain actions relating to delinquent taxes. (BDR 32-434)

SENATOR HARDY:

When we had the hearing, there were issues with the power of the State Controller's Office to take over somebody's bank account. This created some issues with the people who would be at risk. The State Controller recognized we should give this a second look, and we propose deleting two sections from the bill.

CHAIR LEE:

When we met with State Controller Kim Wallin on the proposed language change, she was in agreement with the amendment and will come back next Session to make additional changes.

SENATOR SETTELMAYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 81.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LEE:

We will hear the next bill listed for work session, S.B. 250.

SENATE BILL 250: Makes various changes relating to state financial administration. (BDR 31-749)

MR. STEWART:

Senate Bill 250 (Exhibit F) changes the allowable limit of total proposed expenditures for the purpose of preparing a proposed budget for the Executive Branch. The bill revises the existing formula by: resetting the base of these total expenditures to the 2005-2007 fiscal years; providing the population growth be determined using figures from the State Demographer; and basing the inflation and deflation percentages on a comparison of the most recent Economic Forum estimate of State and local government expenditures and the gross investment component of the gross domestic product with the same components as calculated in 2006 by the Bureau of Economic Analysis of the United States Department of Commerce. The bill requires the total expenditures in the Governor's proposed budget be based on a comparison between the estimation of total proposed expenditures, the total legislative appropriations made in the previous biennium and the most recent Economic Forum revenue forecast.

There are several conceptual amendments provided for the Committee's review. The first amendment would address the determination of the percentage of inflation or deflation referenced in section 2 and section 3 of the bill and the manner in which certain revenues that exceed the projected expenditure cap may be used.

The first amendment would delete the proposed new language in section 2, subsection 5 and section 3, subsection 1, paragraph (c), which provide for the percentage of inflation or deflation to be determined based on certain estimates

provided by the Economic Forum. Instead, the proposal would retain the existing language in the *Nevada Revised Statutes* (NRS) which provides the percentage of inflation or deflation is determined based on the Consumer Price Index of the United States Department of Labor.

The second amendment would provide if revenues projected by the Economic Forum exceed the expenditure cap, such excess revenues must be used as follows: 60 percent to the Fund to Stabilize the Operation of the State Government (Rainy Day Fund) and 40 percent to pay for capital expenditures, reducing unfunded liabilities, providing one-time grant matching, employee training and education as well as technology improvement. These two amendments were provided by Senator Kieckhefer.

Carole Vilardo of the Nevada Taxpayers Association proposed amendments relating to the calculation of the expenditure cap based on a five-year rolling average and adjusting the manner in which excess estimated State revenue is expended. [Exhibit F](#) has a mock-up that highlights these changes as well as an explanation from Ms. Vilardo explaining the conceptual amendment on which the mock-up is based.

Ms. Vilardo's proposal is to amend section 3, subsection 1 to reset the base of these total expenditures for the purposes of preparing the *Executive Budget* to include a 60-month rolling average of total expenditures from the State General Fund beginning with the biennium commencing on July 1, 2007. Any expenditure that is removed from the State General Fund must be adjusted in the 60-month rolling average.

The second amendment adds a new section 1 and amends section 4, subsection 1, paragraph (c) to adjust the manner in which excess estimated State revenue is expended. In the [Exhibit F](#) mock-up, if the May revenue projection of the Economic Forum exceeds the Forum's December revenue projection, 60 percent of that excess must only be used for: capital expenditures; reducing unfunded liabilities of the State; providing one-time matching funds for grants; providing employee training and education; and acquiring technology. The remaining 40 percent must be deposited in the State's Rainy Day Fund.

Senator Kieckhefer, Carole Vilardo and Andrew Clinger are here and could certainly add to the discussion.

CHAIR LEE:

I noticed some mathematical changes in the proposed amendments, 60 percent to 40 percent. Senator Kieckhefer, could you tell us if you are willing to accept these changes and how you feel about the proposed amendments?

SENATOR BEN KIECKHEFER (Washoe County Senatorial District No. 4):

I am in agreement with the changes proposed by Ms. Vilardo. I believe the transition into a five-year rolling average rather than growth set off a baseline would accomplish more than I had originally envisioned to smooth out the growth and State expenditures. It should help avoid the peaks and valleys we have seen in our budgeting process due to economic conditions and revenue. I am in agreement with the proposed amendments and feel they make the bill stronger and will help our budgeting process both in the Executive Branch and the Legislative Branch.

CHAIR LEE:

I also thought I had a great idea on the ten years, but by the time it was explained to me, it made more sense to go this direction. You are in agreement with both of the amendments proposed by Carole Vilardo?

SENATOR KIECKHEFER:

Yes.

CHAIR LEE:

Do we still want to delete section 2 and section 3 of the bill and all of the language you included in your amendment?

SENATOR KIECKHEFER:

Yes. The proposed amendments address two different things. Mine addresses the *Executive Budget* prepared by the Governor and Budget Director and projected revenue from the Economic Forum in excess of the spending cap in statute. I also believe it makes sense to maintain the existing Consumer Price Index calculations instead of having that long, drawn out calculation that had to be done by gross domestic product and the Economic Forum making projections. It was ill conceived to begin with, so I would like to strike it.

CAROLE VILARDO (Nevada Taxpayers Association):

The five-year rolling average has been explained. This is important because when you look at what was in place going back to 1974 and then each biennium forward, we hit the extreme highs and lows. We were almost at the cap, and when you wind up with an economic downturn, you have no way to recover. Using five years smoothes out the whole process. It should take care of most of the anomalies. It will serve us better than what we have now.

I just saw a conflict when reading the work session document. It is a policy decision for the Committee. In Senator Kieckhefer's amendment, 60 percent of the funds go to the Rainy Day Fund and 40 percent are used for the enumerated one-time expenditures. In the amendment I submitted, 40 percent goes to the Rainy Day Fund and 60 percent goes for the one-time enumerated expenditures. It would be up to the Committee as to which amendment is selected.

MS. CHLARSON:

The conceptual amendment 1, paragraph b, proposed by Senator Kieckhefer, compares whether there is an excess between the revenues and the expenditure cap. However, the amendments proposed in paragraph b deal with the situation where the revenues are different from the projections made by the Economic Forum. I discussed the issue with the fiscal staff to determine whether these two amendments would be mutually exclusive. The information I received was that in some situations, depending on how the different revenue numbers and expenditure cap are calculated, both of the amendments could be adopted and not be mutually exclusive.

However, certain situations depend on how the numbers come out. From the perspective of drafting these amendments, if the Committee chooses to adopt both amendments, we need to know that if there is a conflict between the two amendments, which amendment you would like to see carried forward. It is not that the Committee needs to decide which amendment to choose, they can choose both; we just need guidance about if there is a conflict, which amendment the Committee would like to adopt.

ANDREW CLINGER (Director, Department of Administration):

I worked with Senator Kieckhefer on the language for this bill as well as Ms. Vilardo in creating the amendments. I would support Proposed Amendment 6053, but I am unsure if the section that references the estimation of future revenues and the difference between the December 1 forecast and the

May 1 forecast is Senator Kieckhefer's or Ms. Vilardo's amendment. Sixty percent of that difference would go into the Rainy Day Fund. In discussing the bill this morning with Senator Kieckhefer and Ms. Vilardo, we would have a recommended change to the language. That change would be instead of having the difference be between the December 1 forecast and the May 1 forecast, the amount slated for the Rainy Day Fund would be the actual revenue collected in excess of the May 1 forecast.

CHAIR LEE:

I am not going to hear this bill anymore because I have no idea what you just said, but I know it made sense to somebody. I would appreciate getting a cleaner amendment on this bill before we bring it back to work session.

SENATOR SCHNEIDER:

I appreciate the portion of the bill where you are trying to build the Rainy Day Fund because when we gave away \$300 million a few Sessions ago, I spoke against the bill on the Senate Floor. I wanted to at least take the money and invest it in businesses and economic development. I was even willing to give all of the money to northern Nevada when I was speaking against the bill. I wonder whether this will lock us into a certain level of funding and then that is all we can do. I understand the five-year rolling average, but what if we decided to increase funding in an area—substantially increase funding in an area?

SENATOR KIECKHEFER:

This in no way ties the hands of the Legislature to increase taxes with its current two-thirds voting authority. As Mr. Clinger attempted to address earlier, if the revenue comes in above what was Legislature-approved, that excess revenue would be used in that 60/40 split—not just the May 1 Economic Forum projections but the Legislature-approved dollars coming out of the Legislative Session. If there is a decision by a Legislature to increase revenue, the money in excess of that amount would go into the Rainy Day Fund and the five targeted areas.

SENATOR SCHNEIDER:

We could increase funds to the Nevada System of Higher Education, or do whatever we wanted, and then go out and raise the money? This does not restrict your existing authority in any way.

CHAIR LEE:

We are going to hold S.B. 250 and hear it next week in work session. We will move on to the next bill on the work session document, Senate Bill 262.

SENATE BILL 262: Provides for the incorporation of the City of Laughlin contingent upon the approval of the voters in the City. (BDR S-125)

MR. STEWART:

Senate Bill 262 ([Exhibit G](#)) deals with the incorporation of the City of Laughlin contingent upon voter approval. It requires the Committee on Local Government Finance to prepare a feasibility study on the incorporation of the City and submit that report to the Clark County Board of County Commissioners. After receipt of the report, the Board of Commissioners must place on the ballot the question of incorporation and a primary election for candidates for City Council and Mayor. It sets forth a charter for the City of Laughlin should the question for incorporation be approved. The elected City Council is authorized to perform various functions, including setting a budget, adopting ordinances and negotiating personnel contracts before the effective date of the incorporation. Finally, it allows the Board of County Commissioners in Clark County to accept gifts, grants and donations to pay for expenses related to the incorporation. The Board may use funds from the Fort Mohave Valley Development Fund to cover costs not covered by gifts and donations.

You may recall we heard this bill on March 23. Chair Lee appointed a subcommittee on this measure consisting of himself as Chair, Senator Hardy as Vice Chair and Senator Settlemeyer.

The subcommittee received testimony from various individuals as listed in [Exhibit G](#). I summarized the information provided to the subcommittee, and it recommended the following to the Committee:

1. Add a new section 4.1 to provide the study required in section 4 in the bill includes determinations regarding the allocation of Laughlin Township revenues including, but not limited to, the Consolidated Tax Distribution and other revenues currently received by the County and the Township. The amendment is included in the work session document, [Exhibit G](#).
2. Add language to clarify the timing of actions that can be taken by the City Council before incorporation becomes effective. Such actions would include the

preparation of a budget, ordinances and certain contracts. The amendment is included in the work session document.

3. Amend section 1, Article XII of the City Charter concerning public utilities, pages 25 through 29 in S.B. 262, to provide that existing franchise agreements with utilities must remain unchanged as a result of the incorporation of Laughlin. The amendment is included in the work session document.

4. Amend S.B. 262 to provide that future annexations of property developed as of January 1 must only occur upon submission of a petition of registered owners of the real property to be annexed, showing a majority of such property owners approve of the annexation.

CHAIR LEE:

This interesting bill has generated a lot of discussion. At first, I would not have considered this bill without having the casinos involved. I did not think it made a complete town without including the casinos. Since then, I have been convinced to leave the casinos out of the issue. One day, if this passes, you would need to include the casinos in order to have a complete town.

There has been concern about creating a new township in Laughlin, and we want to pass a process that will work. We do not want this to fail. With 8,000 people, I question whether it will be viable. If you think it will work, you should go for it. I do not want to stand in the way of progress for the community. If the Committee on Local Government Finance says this is not a good idea, I want to ensure that recommendation is recognized and the community understands the report. I am all for the ability of Laughlin's citizens to make their own community when the time is right.

SENATOR HARDY:

We had many people involved throughout the State because it is an issue that affects so many of us. Rome was not built in a day. Incorporation, in the words of a former Assemblyman who was involved in trying to incorporate Incline Village, was a very difficult process. That is what we have found trying to incorporate Laughlin. This is not about incorporating Laughlin, this is about allowing the people of Laughlin to vote whether they would like to be incorporated and take on that responsibility.

Mesquite, which I represent as does Assemblyman Crescent Hardy, incorporated when it had a population of about 1,200 people. The economic development that occurred in Mesquite happened after it incorporated. Although we cannot predict the future, the positioning of Laughlin is at a critical time where it is ready to advance economically and wants to enjoy a more stable base as it grows.

In order to adequately give help or comfort on the Laughlin incorporation or the vote thereof, the Committee on Local Government Finance will prepare a study that will assist the Clark County Board of Commissioners in determining whether it is feasible to incorporate Laughlin. The voters need to make this decision, but they need to make the decision utilizing appropriate information. Any initial study by the Board needs to be followed by the study of the Committee on Local Government Finance. The Committee on Local Government Finance traditionally may not be in the best position to say this is what you should do and this is how you should vote. The NRS 266 or the constitutional way of incorporation goes back to the jurisdiction of the county in which the city finds itself to make the determination if there should be a vote. For whatever reasons, the citizens of Laughlin have desired the vote and should be allowed to have the vote. In order to give comfort to people who have been involved in this process before as well as give comfort to those who are involved again, it would be wise for the Legislative Commission to have a second look after the study is complete. Once the Committee on Local Government Finance has filed their report I would suggest the Legislative Commission also review the information, thus giving the citizens of Laughlin the right to have not only an informed vote but an almost informed consent vote.

MR. STEWART:

As clarification, the amendments noted in the work session document attributed to Brin Gibson were actually submitted by Jim Shaw of the Laughlin Economic Development Corporation.

CHAIR LEE:

The first two amendments noted as discussed by Brin Gibson, representing Laughlin Economic Development Corporation, were actually submitted by Jim Shaw, Laughlin Economic Development Corporation.

MR. STEWART:

Yes. Staff sought the identity of one page of the amendment presented so it was reported as "discussed by Brin Gibson." The amendment is included in the work session document and I apologize to Mr. Gibson; Mr. Shaw actually drafted that document, and I need to make that correction in the work session document.

SENATOR HARDY:

We had the hearing in March and reviewed all of the questions or concerns that were brought forward. Those questions and concerns were related to the amendments you see before you. The prepared language replaced some of the words like "approve," so section 13, subsection 1, on the amendment says to "prepare and adopt a budget." Inasmuch as this bill is about voting for something, we cannot have a City Council have responsibilities before it has been created. We can have it prepare things prior to becoming a City Council.

The second amendment was provided by Judy Stokey of NV Energy, assuring the intention was to keep all of the regulations, limitations and franchise agreements in place and be consistent. That amendment should be accepted.

The third amendment was to clarify the annexation because we did not want to include the gaming properties against their will. We made sure the casinos had a higher standard of annexation that had to be voluntary and agreed upon by the majority of property owners. Likewise, in this interim period of time since the original hearing and after the subcommittee met, there were questions about the intent of Ed Cooper, the author of the proposed city charter, or the vote to become a charter city. I was in contact with Mr. Cooper and his wife prior to his death. I regret that aspersions were made as to his intent of how long it would take before the City was incorporated. I grieve that someone would suggest that his intent was not to go through with the incorporation. Some of his final words were about his concern for the proposed incorporation of Laughlin and the proposed vote. I feel compelled to put that on the record.

I had a heart-to-heart talk with former Assemblyman Pete Ernaut. I believe he had good advice about the need to make sure we resolve the concerns in these economic times about the potential incorporation so it would not be an emotional vote but a vote of the reality of the fiscal responsibility and opportunity this issue presents to the citizens of Laughlin. One other item,

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which is not included as a conceptual amendment, will be included in my motion when and if you are ready to receive it.

CHAIR LEE:

After the oversight of the Committee on Local Government Finance, and if it is a positive report, you will revert this to the Legislative Commission. Once everything is proven, a decision can be made. Does this vote come before the citizens' vote on this issue?

SENATOR HARDY:

Yes. That is correct.

CHAIR LEE:

Do you have anybody in Las Vegas who will support this issue?

SENATOR HARDY:

I ask those of you from Laughlin who are here on this bill to raise your hands so we can see you on the screen. Keep your hands in the air if you concur with what you have heard. I see all hands raised with no opposition.

CHAIR LEE:

We see this as a step forward for Laughlin.

MS. CHLARSON:

Just to clarify, Senator Hardy, your intent is that upon the completion of the report from the Committee on Local Government Finance, the Committee submits its report to the Legislative Commission. The bill allows the Board of County Commissioners of Clark County to decide whether it would like the issue of incorporation to be decided at a special election held within 90 days of the release of the report, or the Board can have the question raised at the next primary election held in the County. I wonder how the Legislative Commission's role in the process would be impacted when or if the election is held, and if the Legislative Commission would make the ultimate decision of whether the issue of incorporation is put to the vote of the people.

SENATOR HARDY:

I appreciate your question because it brings up an interesting point. If the Clark County Commission decides to make this process go faster, I would not take away that chance to take this issue to the people for a vote more quickly.

If the Clark County Commission wants to indicate it reviewed the report, liked it and believed it to be feasible, I would not want to stop it. I would encourage the Board to take this issue to the people. I would like to ensure there is another body capable of reviewing the process through fresh eyes. The bill does not stop the County Commission from stopping the vote of the people, but the Legislative Commission would make that decision if it is not convinced incorporation is fiscally feasible.

CHAIR LEE:

Senator Hardy, with only a 120-day session, it takes a lot of people to ensure we get this right. After hearing your amendments today, S.B. 262 has a much better chance of being passed out of Committee than it did before we began today's hearing.

MS. CHLARSON:

I understand that by adding the Legislative Commission to the process, upon receipt of the fiscal feasibility report, the Board of County Commissioners would have the option to hold a special election within 90 days of receiving the report. If the Board chooses not to have a special election, the report would be submitted to the Legislative Commission, which would analyze the findings and make a determination whether or not the report shows the incorporation should occur. At that point, the issue of incorporation would go to a vote of the people at the next primary election held in the County.

SENATOR HARDY:

That report must be sent to the Committee on Local Government Finance and Clark County as soon as it is complete.

CHAIR LEE:

I want the citizens in Laughlin to realize this is not a Laughlin bill. This is a bill about incorporating a town. Other communities are also reviewing this process. We are putting a procedure into place that any community can follow in order to incorporate.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 262.

SENATOR SETTELMAYER SECONDED THE MOTION.

SENATOR SCHNEIDER:

In these economic times, this is really risky. This Legislative Session, we are moving legislative responsibilities to the counties and the cities and trying to shift responsibility. I can see the counties wanting to shift responsibility, then cutting Laughlin loose and dumping more responsibility on it. Everything seems to settle at the bottom. I am very concerned about this bill.

Laughlin is about the size of and smaller than some homeowners' associations in Las Vegas. Now, that is government closest to the people, and they are failing. The associations do not have the money to operate. Senator Hardy has worked hard on this bill, but I would advise he bring this back in two years in case the economy is better. In this economy, this is risky. The State has had to bail out counties in the past. We had to bail out White Pine County just a few Sessions ago. The State built a school by putting up the money for the project. We have had these small entities fail due to lack of money or proper oversight. With that I will not be supporting this measure.

THE MOTION CARRIED. (SENATORS MANENDO AND SCHNEIDER VOTED NO.)

CHAIR LEE:

We will now go to the next bill on our work session document, Senate Bill 268.

[SENATE BILL 268](#): Revises provisions relating to competing for public works by design professionals. (BDR 28-740)

MR. STEWART:

Senate Bill 268 ([Exhibit H](#)) allows a properly certified or licensed design professional, which includes a registered professional engineer, architect, landscape architect or land surveyor, to qualify to receive a preference when competing for a public works project. In order to receive the preference, the design professional must submit proof to the appropriate licensing board for the design professional that he has paid: \$5,000 annually in sales and use tax for five consecutive years on materials relating to the design or construction of certain projects in Nevada; \$5,000 annually in Governmental Services Tax (GST) for five consecutive years on vehicles used in the operation of the design

professional's business; or any combination thereof. This particular criteria will be subject to an amendment here shortly.

If these criteria are met, the appropriate licensing board for the design professional shall issue a certificate of eligibility for a preference to the design professional. A design professional may also qualify for the preference if he or she acquires all the assets and liabilities of a viable design professional practice that possesses a certificate of eligibility to receive the preference and employs in his office or place of business a certified design professional who is a Nevada resident and is regularly working in that office or place of business.

Finally, the measure requires the public body or the Nevada Department of Transportation to publicize information regarding the selection of the design-build team that includes design professionals for a public work and transmit such information to the appropriate licensing boards for the design professionals.

Proposed Amendment 5899, in [Exhibit H](#) adjusts the criteria under which the design professionals may qualify for the preference and modifies what information is required to be made public following the selection of finalists under a design-build contract.

Specifically, the first amendment partially changes the eligibility criteria for the preference as it relates to the payment of the sales tax or GST set forth in section 1 of the bill to instead specify the design professional must have paid an Excise Tax, based on the sum of all wages, of not less than \$1,500 annually for five consecutive years.

Earlier testimony indicated that amending the eligibility for the preference based on the Excise Tax would help capture those design professional firms that have seen severe reductions in their workforce due to the recent economic downturn. The second amendment deletes language that would have required the rankings of the design-build teams who submitted preliminary proposals to be made public and instead require that the identity of the finalists who received a preference in bidding or competing for the public work may be made public. The mock-up was drafted at the request of Chair Lee.

CHAIR LEE:

This bill was basically drafted for those public works projects in Nevada that are paid for with our taxes. A building is built three different times. It is built in the mind of the creator, then built on paper and then built in the field. We are trying to get the portion where it is built on paper to occur in Nevada and keep these people employed. The unemployment rate for these people is as high or higher than any industry in Nevada.

RUSSELL ROWE (American Council of Engineering Companies of Nevada):

The professional engineers in the State appreciate this legislation being brought forward to provide our firms and other design and architectural firms the opportunity to compete for public works projects to keep them working. As Chair Lee indicated, our unemployment and out-of-work rate is well over 60 percent and approaching 70 percent. Anything we can do to ensure Nevada public works projects at the State or local level go to Nevada-based firms would greatly assist us. The bill was originally patterned after the existing law permitting preferences for contractors; the threshold criteria under existing law deals with sales and use taxes and the GST which the design firms do not necessarily operate under. The bill was amended to tie the threshold to the Modified Business Tax and set it at a level for the smaller firms to compete as well as the large firms.

ALISA NAVE-WORTH (American Council of Engineering Companies of Nevada):

I wanted to clarify one point, the \$1,500 minimum threshold for the Modified Business Tax is based on a firm that would have an annual salary of approximately \$300,000, which would be a design firm that employs three to five Nevadans.

SENATOR MANENDO MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 268.

SENATOR HARDY SECONDED THE MOTION.

SENATOR SETTELMAYER:

I appreciate the goals and objectives of this bill and look at the concept in these economic times. The concept of saving 5 percent could be the difference of the funding for a conservation district. I also have issues with providing preferential treatment. I believe it violates the privilege and immunity clause of the U.S. Constitution, which is to secure the ability of one state not to

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disenfranchise or treat differently people from another state. I cannot support the legislation.

THE MOTION CARRIED. (SENATOR SETTELMAYER VOTED NO.)

* * * * *

CHAIR LEE:

We will now discuss Senate Bill 361 on the work session document.

[SENATE BILL 361](#): Authorizes the issuance of a temporary permit to appropriate water to establish fire-resistant vegetative cover in certain areas.
(BDR 48-285)

MR. STEWART:

Senate Bill 361 ([Exhibit I](#)) authorizes a person to apply to the State Engineer for the issuance of a temporary permit to appropriate water to establish fire-resistant vegetative cover in an area that has been burned by a wildfire or to prevent or reduce the impact of a wildfire. We brought this up in work session the other day and sought clarification on the amendments. The amendment that was proposed by Jason King would still stand pursuant to the Committee's recommendation. That amendment would adjust the duration of the temporary permit from one growing season to one year, which is included in the work session document.

CHAIR LEE:

Senator Settelmeyer, you worked with all of the interested parties in regard to this bill and I would like to have your input.

SENATOR SETTELMAYER:

I talked with all of the interested parties having concerns with the bill and the Nevada Cattlemen's Association numerous times. I talked to President-elect J.J. Goicoechea and President Ron Cerri, who were having problems reaching each other due to cellular issues, in order to discuss the issue. They are now fine with the bill, and the only remaining concern is from the Nevada Press Association. The Press Association would prefer to have everything noticed, although we do not have that requirement for any other issues dealing with environmental concerns. That was the only concern we did not address.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 361.

SENATOR SETTELMAYER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR LEE:

We will go out of order from the agenda and hear Senate Bill 392.

SENATE BILL 392: Creates the Nevada Advisory Committee on Intergovernmental Relations as a statutory committee. (BDR 19-169)

SENATOR JOHN J. LEE (Clark County Senatorial District No. 1):
During the 2009-2010 legislative interim, I served as the Chair to the Legislative Commission's Committee to Study Powers Delegated to Local Governments. This bill is one of three the Committee requested in an attempt to give more autonomy to Nevada's local governments. Senator Terry Care was Vice Chair of the committee during his final term in the Senate.

The bill that created the interim study also directed the Legislative Commission to appoint an Interim Technical Advisory Committee for Intergovernmental Relations (ACIR) to support the activities of the interim study and to foster effective communication, cooperation and partnerships among State and local governments in Nevada. One of the goals of the ACIR was to work to improve the delivery of government service in Nevada.

The ACIR served as a forum for the discussion and resolution on intergovernmental challenges and was charged with engaging in numerous activities. The Committee is required to conduct studies relating to local government structure; powers of local government—various functions and fiscal powers; State and local government relationships; allocating resources at the State and local levels; and making recommendations for legislation to the Committee to Study Powers Delegated to Local Governments.

One of the primary recommendations of the ACIR and the Study Committee was to request S.B. 392, creating a permanent Nevada Advisory Committee on

Intergovernmental Relations that would review and vet important local government legislative matters and discuss and solve intergovernmental problems before local governments bring these issues to the Legislature. The goal of the Committee would be to bring about effective partnerships and communication among all levels of government and report its findings to the Legislature. The Committee can then submit any suggested bill drafts to the chairs of the Senate or Assembly Committee on Government Affairs. The membership of this permanent ACIR would include representatives from the Legislature, local governments and the State Executive Branch.

The Chair and Vice Chair of the ACIR, Washoe County Commissioner David Humke and Henderson City Councilwoman Debra March, are here today to testify. I urge your support on this important measure that serves to bridge the gap between State and local government and the functions of the Nevada Legislature.

DAVID E. HUMKE (Commissioner, Washoe County Board of Commissioners; Chair, Interim Technical Advisory Committee for Intergovernmental Relations):
This bill would extend the life of the ACIR for four years. The ACIR was established by section 9 of S.B. No. 264 of the 75th Session. The ACIR was charged to conduct studies on the structure of local governments; functions and fiscal powers of local governments; relationships among State and local governments; allocation of State and local resources and recommend appropriate legislation to the Legislative Commission's Committee to Study Powers Delegated to Local Governments.

In addition to myself and Councilwoman March, other members of the ACIR consisted of Esmeralda County Commissioner Nancy Boland; former Executive Director of the Nevada Department of Taxation, Dino DiCianno; Clark County Commissioner Chris Giunchigliani; City of Mesquite Mayor Susan Holecheck; City of Sparks Mayor Geno Martini; Deputy Director of the Nevada Department of Transportation Scott Rawlins; and Director of the Department of Health and Human Services Michael Willden.

As you are aware, Nevada faces many challenges. Both the State and local governments are struggling to meet an increased demand for services with reduced revenues. Many if not all of Nevada's governmental entities have had to reduce services, not fill open positions, make pay cuts, seek concessions from bargaining groups, furlough workers and even lay off employees.

Unfortunately, the State is not recovering from the recession as rapidly as we had hoped. This economic environment makes it all the more important that Nevada have the Intergovernmental Relations Committee. This Committee will allow for an examination of the provisions of government services to ensure that services are being provided in the most efficient manner. I would now like to turn the presentation over to Vice Chair Debra March.

DEBRA MARCH (Councilwoman, City of Henderson; Vice Chair, Interim Technical Advisory Committee for Intergovernmental Relations):

Senate Bill 392 would allow the ACIR to continue to build upon what we have accomplished in our short existence. As with any new committee, especially one with a diverse makeup like the ACIR, there was a need for the members to learn the roles and challenges of the other members.

The Executive Branch representatives needed to understand the challenges and limitations faced by local governments as a result of Nevada being a Dillon's Rule state. The differences between charter and general law cities also needed to be explained. The workings of the Executive Branch agencies were also examined. This process dominated the agenda of the first few meetings of the Committee. Over the next few meetings, the Committee began to look at the provision of services by the different levels of government. The ACIR members voted unanimously to recommend that the ACIR be made more permanent to allow its work to continue. We believe that more time is needed to examine the provision of governmental services with the goal of developing recommendations that lead to a more efficient, better government structure for the citizens of Nevada. Committees, even those established for noble causes as this Intergovernmental Committee would be, can sometimes lose their focus or fail to live up to their intended purpose.

For this reason, we have included a sunset provision in the bill. If, after four years, the Committee has either exceeded beyond anyone's expectations or not delivered a benefit to the State, it could be allowed to expire. Likewise, if the Committee does benefit the State and its continued existence would help make government better and more efficient, the life of the Committee could be extended.

In addition, we recommended the addition of two Legislators each from the Senate and Assembly, one each from the majority and minority of each House, to the membership of the ACIR.

MR. HUMKE:

The creation of the Nevada Advisory Committee on Intergovernmental Relations would serve all levels of government well in the State and, most important, the citizens of Nevada. Our citizens deserve an effective and efficient government. This Committee will help ensure that they get one.

CHAIR LEE:

I would ask Joe Mortensen and Chuck Roberts from Lyon County, Michael Olson from Douglas County and Bob Crowell from Carson City to come to the table. The Committee would like to hear from you about your experience with this Committee.

MICHAEL OLSON (Chair, Douglas County Board of Commissioners):

We are a county. We are not a city, and we see some of the rules that the cities have that the counties may not be able to enforce such as one of those nuisance laws that tend to go criminal but might be administrative. We would like to have the opportunity, power or ability to govern our own community. We see S.B. 392 as functional home rule, effective and a positive bill.

ROBERT L. CROWELL (Carson City Mayor):

I also speak in support of S.B. 392. Carson City, as many of you know, is a consolidated city and county, so we have the benefit of all of the good things and the adversity of the bad things that happen to cities and counties.

I was struck by what Senator Schneider said that things seem to run down to the bottom. We are at the bottom because we are both a city and a county. I would like to think this is a good thing. This bill provides a measure of functional home rule. Carson City would like to think it is a member of the State, and we want to participate with all things this Legislature does to move Nevada forward. This is a good step. It does not infringe upon the rights of the State. The State is the sovereign, and local governments exist through the mechanism that you grant us. We would like to have some additional control of some of the affairs of our citizens.

JOE MORTENSEN (Chair, Lyon County Board of Commissioners):

We understand a lot of work has been done on this issue, and it sounds like the bulk of the issues have been addressed. The bill allows for a greater equity between the cities and the counties and improves the communication among the different entities involved.

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CHAIR LEE:

Are there any other elected officials who would like to speak on this bill?

MS. MARCH:

I would like to speak in favor of functional home rule, if that is the item of discussion.

CHAIR LEE:

Ms. March, we are not hearing testimony on that bill right now, but I will note your support when we get to it.

CHUCK ROBERTS (Vice Chair, Lyon County Board of Commissioners):
We positively support ACIR.

CADENCE MATIJEVICH (Legislative Relations Program Manager, City of Reno):
The City of Reno is in support of this bill. We appreciate the opportunity the ACIR would provide to continue our engagement with the Legislature during the interim.

KATHY CLEWETT (Government Affairs Coordinator, City of Sparks):
We are also in support of the bill. As clarification, I noticed how the Committee is going to be made up, and there is an advisory committee underneath it. In case there are continued financial constraints, the City of Sparks is not currently a part of the Nevada League of Cities and Municipalities, so if that continues, I would like to ensure there is still a place for us at the table.

TED OLIVAS (City of Las Vegas):
Me too.

CHAIR LEE:

You might wonder why I called the elected officials to the table to testify. Oftentimes we appoint elected officials to committees, and they do not think it is important to attend the meetings. We want this to work; I want to ensure everyone knows how important the elected officials are to this process. If someone is appointed to this committee, we expect that person to attend the meetings. You might have a powerful person in mind, but if he or she will not participate, then please do not assign the person to this Committee.

JEFF FONTAINE (Nevada Association of Counties):

We are also in support of S.B. 392. I can assure you the incumbent members of the ACIR have been engaged and have attended the meetings. The members also have other commitments to their local boards and communities, but they have taken the time to participate and understand the issues having statewide application.

A number of proposals in the Governor's budget and others would shift costs and/or services to counties and local governments, which underscores the need for this type of committee. Specifically, yesterday in a hearing on Senate Joint Resolution 9 that would require a constitutional amendment for a two-thirds majority vote for diverting revenues or placing unfunded mandates on local governments, Majority Leader Steven A. Horsford raised the issue of cooperation and discussions that need to take place regarding the relationship between local governments in the State. It is difficult in a 120-day session for that to take place. We think the ACIR would be the forum and the opportunity for those discussions to take place.

SENATE JOINT RESOLUTION 9: Proposes to amend the Nevada Constitution to require an affirmative vote of two-thirds of the members elected to each House of the Legislature to decrease revenues or reserves of or mandate that new or different services be performed by a local government. (BDR C-395)

J. DAVID FRASER (Executive Director, Nevada League of Cities and Municipalities):

We found the Committee to be very engaged, and a lot of great discussion took place. The discussion maintained that we are all in this together; the cities, the counties and the State all serve the same constituents. We should do a better job of determining where services are best provided and how they are funded. This group completed some great work, although I would characterize it as just the beginning.

The group looked at how services are divided. The League of Cities and Municipalities and the Nevada Association of Counties have worked together in the last few years by meeting jointly with our boards. The ACIR during the last interim really took this to the next level by engaging the State in the process. I commend those State representatives because they were fantastic on the ACIR. As this bill is presented, it takes it to another level when it includes

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Legislators. By speaking to elected officials and having ability to call on technical experts' advice, they should be able to accomplish great things. I anticipate S.B. 392 provides a vehicle to continue the work. We strongly support the bill.

MR. STEWART:

This 120-page Bulletin No. 11-09 ([Exhibit J](#), original is on file in the Research Library) is available on the legislative Website. Senate Bill 392, Senate Bill 385 and Senate Bill 384, which we are about to hear, are results of the Legislative Commission's Committee to Study Powers Delegated to Local Government which met during the interim. The Bulletin summarizes the Committee's activities

CHAIR LEE:

We will close the hearing on S.B. 392 and open the hearing on Senate Bill 385.

SENATE BILL 385: Grants power to local governments to perform certain acts or duties which are not prohibited or limited by statute. (BDR 20-170)

SENATOR JOHN J. LEE (Clark County Senatorial District No. 1):

Senate Bill 385 authorizes counties and cities, with some exceptions, to exercise the power necessary for the effective operation of county and city government.

As many of you know, during the 2009-2010 legislative interim, I served as the Chair of the Legislative Commission's Committee to Study Powers Delegated to Local Governments. This is one of the three bills that the Committee requested in an attempt to give more autonomy to Nevada's local governments. I made mention of Senator Terry Care, who worked on this issue during the 2009 Session and has been very enthusiastic that this bill gets a good hearing, and he understood we do not need to bring forward frivolous bills.

Throughout the interim, numerous representatives of local governments expressed a desire to enhance local government control over certain aspects of local government operations. As Legislators who are members of the Government Affairs Committee, you have surely seen dozens of examples where local government must come to the Legislature to seek permission or authorization for the most routine activities, such as towing abandoned vehicles, handling nuisance-related activities, regulating hours of government offices—the

list goes on and on. These matters, while important, can be more easily and more appropriately handled at the local level. The Interim Technical Advisory Committee for Intergovernmental Relations or ACIR, the body that served to advise the interim Study Committee, made this one of their top recommendations.

Testimony during the interim indicated taking an incremental approach, allowing local governments to initially test the waters with limited local government control over day-to-day functions, would be suitable to a bill on this issue. The Committee members, local government representatives and other presenters were very clear that providing for fiscal, structural or personnel-related local government functions at this time might be too challenging, especially given the current economic situation.

Senate Bill 385 does just that. It provides that a county commission or city council may exercise any power it has to the extent that power is not expressly denied by the Nevada Constitution, the United States Constitution, the laws of Nevada or granted to another entity. The bill clarifies that if there is a constitutional or statutory provision requiring a specific manner for exercising a power, the local government body must adhere to that provision. Further, if a local government body wants to exercise a particular power that is not addressed in law, it must adopt an ordinance setting forth the manner for exercising that power.

Two other critical aspects of this bill should be noted. First, the bill provides a list of powers a county commission or city council cannot do without being expressly authorized by law. The powers include limiting the local government's civil liability; setting laws governing civil actions between persons; imposing duties on other political subdivisions; imposing taxes or certain licensing fees or other charges; regulating conduct that is regulated by a State agency; investing money; or ordering or conducting an election. All of these powers still rest with the State.

Secondly, this bill does not circumvent the Legislature's power. If the Legislature wants to impose a duty or function on the local governments, it can. This bill states that if there is no law on the books setting forth a particular authority, with the exceptions I just noted, the local governments can exercise that power so long as they approve ordinances to do so.

I know representatives of the ACIR, the Nevada Association of Counties and the Nevada League of Cities and Municipalities are here today to testify on this important measure. I urge your support.

I recognized this problem as did Senator Terry Care when we were trying to put together the Clark County shooting range. The District Attorney would say, if it is not expressly allowed, we cannot do it. This bill allows city councils and county commissioners to work with district attorneys to understand they have the right to do things without coming to the Legislature. District attorneys will not be hampered when helping to make those good decisions for local government.

TERRY J. CARE (Ex-Senator, Legislative Commission's Committee to Study Powers Delegated to Local Governments):

It was an enjoyable experience to work on the interim Study Committee. The issue of home rule is not new to the Legislature. I think it was my first Session in 1999 or 2001 that former Senator Joe Neal came before the Senate Committee on Government Affairs with a bill to abolish Dillon's Rule. Former Senator Neal was granted a hearing, but the bill did not go anywhere. I began looking at the idea of a study prior to the 2007 Session, and we had a bill that would have created such a study. We thought it would pass, but it did not. During the course of preparing for the 2007 Session, I discovered the Legislature had actually conducted a study following the 1955 Session. In the 2009 Session, there were actually two bills; Chair Lee had a bill and I had a bill that were rolled into one. The result was the Study Committee that produced the legislative recommendations before the Committee now.

Dillon's Rule goes back to an 1868 Supreme Court case in Iowa. Supreme Court Judge John F. Dillon wrote more or less that a political subdivision cannot do something unless the State authorizes it. We are starting to see some law in southern Nevada but not at the level of the Nevada Supreme Court. Stemming from what happened in 2009 when the Legislature chose to reach down into the coffers of local government, the judge in that case basically said yes because counties and cities are not creatures of statute. The Legislature has the right to do what it did.

Basically 31 states follow Dillon's Rule. The majority of the states in this Country follow Dillon's Rule. In the Western United States, there are five Dillon's Rule states: Hawaii, Washington, Idaho, Arizona and Wyoming.

There are also a number of home rule states: New Mexico, Utah, Oregon and Montana, as well as Alaska. In the case of New Mexico, this may have just happened in recent years, as it went before a vote of the people to change the constitution. About nine states throughout the Country are a hybrid, two of those out West would be Colorado and California. California has its own problems, but because of the initiative process in California over the last few decades, the legislature is really in a position of not having the authority it once had. About ten states are in fact true home rule states: Nevada has home rule stemming from two provisions in the State Constitution and the progeny of case law that has evolved from those provisions.

One of them imposes upon the Legislature the constitutional duty to create uniformly across the State a system of county and city governments. There is another provision in the Constitution that goes to charters, which could arguably be considered to be autonomy for certain cities in this State. Similar to Chair Lee, when I was assigned to the Senate Committee on Government Affairs, I found myself frequently saying, why are we entertaining a bill like this? Why does the city or county have to come before the Legislature for approval? The issues were often miniscule, but nonetheless, we were charged with the responsibility to make those decisions because of Dillon's Rule.

The exception is setting the salaries for certain county government leaders. There must be a way to allow local governments to have some degree of autonomy. The Nevada Legislature only meets for 120 days every other year, absent a special session called by the Governor where the business is restricted and must adhere to whatever is contained in the Governor's proclamation. We are one of only seven states that meet every other year as opposed to annually. That means if a city or a county wants a change in the law, it has to hope and pray when it gets up here it can get the bill. If the bill does not pass, the city or county must wait two more years to try again.

We know how a bill becomes law, which we learned in the eighth grade. Throw out that information. The reality is that we know bills can die because of a personality or it just runs out of time. It has nothing to do with the merits of the legislation. It puts the cities and counties that need changes in their ordinances in a position of hoping they get their bills to pass. The other thing about bills that go to local governments, it sometimes puts Legislators in a position to say, I do not know if I want to be on record of voting for this measure. I do not have anything specific in mind when I say that or any Legislator in mind. For

example, in 2007, Nye County had a bill to raise the sales tax but could not do it without legislative approval. The county actually had an advisory opinion, which had passed narrowly, but the voters in Nye County agreed to it. The County still had to get legislative approval. That put many members of the Legislature in a bind about whether or not they wanted to be on record as voting for taxes even though they were not from Nye County. Since they were not from Nye County and knew nothing about Nye County, did they want to be put in that position? That bill did not require a two-thirds majority because it was enabling and it passed.

Senator Settlemeyer will remember a bill that came out of Douglas County to raise the room tax for the construction of a convention center. That required a two-thirds vote. The Legislature went through the same internal struggle when hearing the bill. Eventually the bill was amended to say the tax is still 8 percent, but if you want to raise it 2 percent more, we will allow you to. The two-thirds requirement was removed and the bill died for other reasons. If I remember correctly, the convention center was going to be constructed in California, so that gave pause to Legislators for other reasons.

Another bill dealt with raising the ad valorem tax in two counties for the construction of a juvenile detention center. That bill passed both Houses but was vetoed by the Governor. We may have overridden the veto in the 2009 Session.

At any rate, that is what can happen when a Legislator from Elko is faced with a problem in Clark County. You may not want to be on record for this or for that. We frequently talk about the need for uniformity in this State, but you just heard a bill this morning that talks about annexation in a county of more than 400,000. There is case law that says you can skirt that uniformity by breaking it down by populations as to counties and it is not special legislation.

I have always taken the approach that uniformity is a myth, but there was discussion recently on brothels. The reaction was interesting because many people said it was really a local government issue. Well, it is and it is not. Clark County and Washoe County do not allow brothels. The proposal is left up to the other 15 counties. There may be 11 of the other 15 counties which have brothels. It was interesting to hear people say they did not want to get into it because it was a local issue. I look for that sort of mentality because it is interesting to see the Legislature recognizes that.

Basically, there are four components to home rule when scholars talk about this issue. There is fiscal home rule, structural home rule, personnel home rule and the important one that this bill revolves around, functional home rule. I will say limited functional home rule. Fiscal goes to taxes and borrowing money, and there are prohibitions in this bill against that sort of thing.

Senate Bill 385 does not disturb the current framework. Personnel? You have NRS 288, which is largely the collective bargaining issue. Structural? You already have the constitutional provisions I mentioned and the subsequent statutes. What we are really talking about is limited functional home rule.

Sections 1 through 7 go to the counties, and section 8 is general law for the incorporation of cities and towns. Section 14 covers the powers of city councils. Section 15 through the remainder of the bill are the powers and duties of the cities. The language repeats itself in several of these sections. The bill abrogates Dillon's Rule but only to an extent that the bill permits. It really applies to limited functional home rule. Sections 3, 10 and 16 all say the same thing.

Section 3, paragraph 1 reads, "The rule of law that any doubt as to the existence of a power of a board of county commissioners must be resolved against its existence is abrogated."

Section 3, subsection 2 reads, "Any doubt as to the existence of a power of a board of county commissioners must be resolved in favor of its existence."

What that means is if the matter goes before the courts, did the county overstep its authority by enacting an ordinance to do ... whatever it is. If there is any doubt, then the courts will make a determination that the county overstepped its bounds. This bill turns that on its head and says if there is any doubt, all of the doubt will be resolved in favor of the county. The same thing for cities in the remainder of the bill. If you look at sections 5, 12 and 18 specifically, powers are reserved to the State because they are denied pursuant to the Nevada Constitution, the United States Constitution or existing State laws or the powers are already granted to another entity.

Chair Lee, when citing the study you used "incremental approach," and that is how I look at this bill. It is an incremental approach while it also abrogates the Dillon's Rule doctrine. The bill is long overdue, and I hope the Committee will

support it. You can go all the way back to 1955 where we have had this debate in the Legislature. The bill needs to be enacted.

SENATOR HARDY:

The fiscal issue you brought up, section 7 for instance, when you were talking about the license fee, etc.: subsection 8 in sections 7, 13 and 20 states "invest money"; when I was on the city council, I tried to ensure we used the money we had in the best way to get the gain we needed on the existing money in the reserve. When it says, "shall not invest money," does that mean we have to go back to gold and silver or a bank account that does not draw interest? I would say the cities or counties should be looking at how they handle their money, which requires some kind of investment. They have actual people who have contracted with the city or school district.

SENATOR CARE:

Look at section 7 and the way it begins, "Except as expressly granted by statute." In other words, this Legislature can still rule, create or govern when it comes to investment money. I am sure there are statutes on the books covering investments. Even though this goes to the counties, some of the language from Article 8, section 8 of the Nevada Constitution was lifted to put in this bill.

SENATOR HARDY:

We are not trying to reverse that in this bill?

SENATOR CARE:

No.

SENATOR HARDY:

We want to make sure they keep what they have now.

SENATOR CARE:

Yes, that is the way I read the bill.

SENATOR SETTELMAYER:

In section 7, subsection 8 that Senator Hardy questioned regarding investing money, we might want some of the other local people to come to the table. The counties have the ability to invest money now, and I am afraid this bill might remove some of that authority. Also, in section 7, subsections 5 and 6, there is

always discussion on the words "reasonably" and "reasonable." I have no problem saying they have the right to charge the actual cost of the service.

CHAIR LEE:

Are you referencing section 7?

SENATOR SETTELMAYER:

Yes, section 7, but it also repeats itself in other sections. I would like you to make me feel a little more at ease with the term "reasonably related to the administrative cost." The reason I bring this up is because we have heard from some locals that they are having problems due to the current laws in the State controlling their administrative costs. Would this give them an unfettered ability to allow those costs to skyrocket? That is my concern.

SENATOR CARE:

The language here is discretionary. Using section 7 as an example, Senator Settelmeyer is correct: the language runs through other sections in the bill. Here the Legislature has a choice. The Legislature can say you cannot do it, period, which means the counties would have to appear before the Legislature each time they wanted to increase their fees. The Legislature can say we will let you do it, but it will have to be reasonable. Because this is a bill that will become law if it is passed, the Legislature is always in the position to say what you did was unreasonable, therefore we are going to take it back or we are going to set parameters. Percentage increases with limits could be incurred.

SENATOR SETTELMAYER:

Say a collective bargaining unit goes to court and says you have the power, raise the fees.

SENATOR CARE:

Chapter 288 of NRS governs collective bargaining, and I do not see this bill affecting anything in NRS 288. I do not practice labor law, but terms are in the contracts of those collective bargaining agreements. I do not know what they would say about this. Personnel and collective bargaining are components of home rule. From what you just described, I am probably not in a position to say one way or the other.

CHAIR LEE:

You are saying the assessor needs to charge for making copies, generally the low-cost items, when it takes a little bit more money to operate these smaller offices.

SENATOR CARE:

This is correct, Mr. Chair.

MS. CHLARSON:

To briefly address the questions raised, I agree with Senator Care's assessment of the language used in the bill. The language in the three sections—except as expressly granted by statute—says the cities and counties shall not do the nine items listed; therefore, I interpret that to mean that if specific statutory provisions relate to charging a fee or investing money, those statutory provisions are not impacted by this bill. The cities and counties would still have the same statutory authority that they currently have.

This bill says if there is not a specific statute on point, then the cities and counties are allowed to exercise certain authorities. The list in section 7 would limit that, so the collective bargaining is governed by NRS 288. Those provisions are also not changed by this bill. Anything having to do with collective bargaining would be guided by those statutes and not trumped by the authority this bill gives to the cities and counties.

SENATOR SETTELMAYER:

I will take this offline since I am not making my concerns clear.

SENATOR HARDY:

Where the same language is used regarding the level of fees, hearing that the Legislature can look at this again, I believe we can do that anyway. We review issues over and over again, so it would not preclude us from looking at this another time. Has there been discussion with the public process?

Usually there is a public hearing, and the issues are listed when you have a significant concept in city government. In the Legislature, we have a supermajority concept, so if we want to increase fees, it has to pass with a two-thirds vote. Was that part of the discussion?

SENATOR CARE:

It was not. I do not remember if it was 2007 or 2009 when I had a bill that would allow cities and counties to raise or decrease certain existing taxes. Unfortunately, it was viewed as a tax bill and did not go anywhere. The voters approved a two-thirds requirement actually saying if the measure creates, generates or increases public revenues or public funds, then it requires a two-thirds majority of both Houses. The Legislature has to make the decision, but I do not know if the counties have the same restriction. It is probably a majority vote unless, as in the case of Nye County, the Legislature approved the increase but ensured there was a two-thirds vote from the Nye County Commissioners. We really did not get into that discussion with the Study Committee.

CHAIR LEE:

No supermajority would affect this bill unless it is already in place. Please understand that any of these changes that come before the county commissioners will be vetted and the public can come speak to the issue about raising any fees.

MR. FONTAINE:

Nevada League of Counties (NACO) is in support of S.B. 385. As you know, NACO has long supported some sort of home rule and has tried in the past to reverse Dillon's Rule through the bill process. We have also attempted to address home rule in a piecemeal fashion by addressing specific areas. We agree this is an important step to give local governments, and counties in particular, the ability to be more responsive to constituents and more effective and efficient.

Under the current process, if a county finds a need to address an issue for which it is not expressly authorized, it must come to the Legislature and wait two years to get approval. In the meantime, the issue does not get addressed. I would also remind the Committee that since 2007, local governments have fewer bill draft requests available to them for those specific purposes. Again, the Legislature could certainly decide to enact legislation that would prohibit or restrict a local government from performing a particular duty. This bill does not take away that authority. We feel it is a good measure, helpful to local government and helpful in alleviating many issues currently heard by the Legislature.

Let me provide the Committee with three examples of bills that relate to functional home rule currently before the Legislature. All three bills are Assembly bills. Assembly Bill 45 would allow a county with a part-time district attorney to establish certain office hours. Assembly Bill 22 would allow counties to adjust office hours for other offices so they can be more responsive to their constituents and ensure they are using their resources wisely. Assembly Bill 42 would allow small counties that have airport property with a reversionary clause back to the federal government to lease those properties without conducting an appraisal. In many cases, we have learned the cost of an appraisal is more expensive than what would be received in annual lease revenues. Those are the kinds of issues that could be best addressed by local governments.

ASSEMBLY BILL 45: Revises provisions governing district attorneys.
(BDR 20-250)

ASSEMBLY BILL 22: Removes the prospective expiration of provisions allowing a county office to deviate from its required hours of operation under certain circumstances. (BDR S-280)

ASSEMBLY BILL 42: Authorizes a county to lease certain real property acquired from the Federal Government in certain circumstances without obtaining an appraisal. (BDR 20-187)

MR. FRASER:

I am here in strong support of this measure. What is so important about this legislation is that it will really increase the efficiency of service delivery by local governments. This relates to one of the four functions of home rule, and that is those powers that relate to the day-to-day operations of the local government. Even in those matters, it does not wrest those powers from the Legislature. It is not as if it removes the Legislature from the discussions; it merely states that if the Legislature has not denied those powers, a local government can look at those functions. The Legislature still governs.

Additionally, if the Legislature has not addressed an issue it still has every right to do so, either before or after a local government has done so. The Legislature still maintains the ability to regulate those issues. What this does is just what Senator Care has indicated and what he has been working toward, to increase the efficiencies of local governments and deal with their issues on a day-to-day basis. I believe it would further increase the efficiency of the Legislature, as it

will deal with fewer of the minutia that could and should be more easily dealt with at the local government level. This is outstanding legislation. It would really serve to improve efficiencies of both State and local governments and to allow more effective delivery of services. This is a great step forward, and I would echo the statements of Mr. Fontaine and Senator Care.

MR. OLIVAS:

This is an important bill for us. As I have discussed during my tenure, this is exactly why I got involved. When I was the purchasing guy for Clark County and I would deal with our District Attorney, the discussion was not how can we do this, it was why we cannot. If you do not see it in the *Nevada Revised Statutes*, you cannot do it. It is not expressly provided. You were gracious in working with us on a number of bills.

I want to talk about a subject Senator Hardy and Senator Settlemeyer brought up earlier. The issue raised in section 7 relating to the licensing fees and service charges is a great question. It certainly might need some additional review. Licensing fees and service charges are such a minute portion of our budget that they are not going to help us solve our budget problems. Our charges and fees are set by ordinance, which means we do have a public hearing and our elected officials must answer to our public when they talk about raising those fees. There is a great deal of debate.

TERRI BARBER (Chief Legislative Advocate, City of Henderson):

I wanted to put it on the record that the City of Henderson is very much in support of this bill. We too go by an ordinance process when we raise our fees, and there is a public comment and vetting process we go through before any of our fees are increased.

MS. MATIJEVICH:

The City of Reno is very much in support of this bill. As services are going to be passed down or expanded to local governments, we need the ability to enact ordinances to provide those services in the most efficient manner possible. We appreciate the incremental approach that this bill has provided by starting us out with our day-to-day operations. We are asking you to give us our home rule learner's permit. We are anxious to show you we are responsible drivers.

MS. CLEWETT:

We too agree with the prior testimony. Our fees are constricted as to what we are allowed to charge and if anything has to be raised. Bills in this Legislative Session are attempting to further restrict fees that we are allowed for copying. The 10 cents we receive per page, when we gladly copy a document for our citizens, does not come anywhere near what it actually costs for that copy.

MR. MORTENSEN:

We are in favor of S.B. 385 and totally agree with Senator Settelmeyer and Senator Hardy about their concerns regarding the financial terminology. Our concern is having to deal with issues that have occurred in the past, irreparable financial impacts.

MR. CROWELL:

Carson City also strongly supports this legislation. There is a possibility of receiving pressures when you have a fee you are discussing. When I look at the concerns you raised, it actually provides comfort to me that you cannot raise a fee not related to cost and therefore can remove some of the pressure that otherwise might be applied to you to say we can raise these fees in order to make more money for these funds. If you removed the word "reasonably," it may help.

The way the language is drafted, it gives some protection that fees and other services will not be increased above the cost to provide those services. That is a good policy. As we move through the Legislative Session and we talk about a number of services that may come down to the local level, it is important for us to address those costs, but it is also important to take advantage and make money. We should be charging what it costs to provide the service. We should not be using one cost to subsidize another fund, enterprise or endeavor. This legislation does exactly that and provides some comfort I can argue to my constituents when we go through the ordinance process.

SENATOR SETTELMAYER:

Can you define the term "administrative costs"?

MR. CROWELL:

Administrative costs can be difficult but not impossible to determine. Administrative costs can mean a number of different things, but it is not impossible to identify what is utilized to determine the cost of a service.

SENATOR SETTELMAYER:

I will speak to counsel offline, but the term "related to" means anything. That is vague and I believe it includes all costs. If we can clear that up, and if it is not a big deal, then this discussion regarding fees is immaterial. It will eliminate my concern. You may be getting into dangerous territory—collective bargaining—when you add the language "related to" because it means any and all costs.

MR. CROWELL:

I did not go that far in my analysis but believe the question needs to be asked.

CHAIR LEE:

It will be incumbent upon me to ensure Senator Settelmeyer receives the interpretation he is seeking.

RICHARD L. OSBORNE (Nye County Manager):

We do support the bill and applaud all the work that has been done on this issue. The bill is long overdue, and we hope it will become law. Regarding the administrative fees discussed, ours are controlled by our Board of County Commissioners, and any adjustments will have a public hearing.

GARY HOLLIS (Chair, Nye County Board of County Commissioners):

We support this bill and really hope it passes.

T. MICHAEL BROWN (Douglas County Manager):

I offer Douglas County's support for this bill. For the reasons stated previously, it is a way to increase responsiveness at a time when that is one of the major things we would like to do at a local government level. With regard to the fees, most of the fees are already in statute, so the county simply implements those fees, which are limited. Of the many fees you see in Clark County—all of their elected officials are established by statute, the Board of County Commissioners has the ability by ordinance to create such fees, but it is already limited by statute. Others are created by formulas such as building permit fees. There are limitations on the amounts. In Douglas County, most of the fees are at the maximum levels already based on our financial challenges. That is probably the same throughout the State. Many of the fees and charges are determined by the cost of the service. When you look at water, sewer and utility districts, these are determined by enterprise funds so they capture the full cost of the service. Fees based on the actual services provided are a business-minded approach when there is a nexus between the fee and service received by the public.

Regarding Senator Hardy's comments, numerous laws are about the investment of funds. The board of county commissioners has the broadest authority, but the Treasurer has the authority with regard to investment. There are significant limitations on where and the manner in which the funds can be invested.

CHAIR LEE:

Could you explain administrative fees as you see it at the local level?

MR. BROWN:

Certain charges are attached to fees based on administrative costs. For example, in Douglas County we have what is called a general fund cost allocation plan that assigns costs to various funds that provide services from the general fund department to other funds. The fees must capture the full cost of the service in accordance with the law. We want each fund to pick up the full share of costs associated to that service. There will be charges assessed based on that formula because they are relative to the program. We attempt to capture programs and services and identify the full cost of the service so people who use the service cover the cost of the service.

However, certain types of fees such as in the area of community development are not run like an enterprise fund. Local governments have the ability to run a separate enterprise fund for their community development charges. What they do is ascribe fees associated with the administrative costs of running those programs. The revenue generated covers the full cost of building inspections, plan inspections and that type of thing. I can assure you we have major challenges with NRS 288, collective bargaining and its impact. The largest impact has to do with when it goes to arbitration and a decision is made where we have to cover the cost of the proposals put into the union bargaining contract. What generally happens is after that, we may have to deal with the issues related to covering the costs of that contract. Typically what happens in that process is what is called the ability to pay. The arbitrator will look at whether or not the local government has the ability to pay, but the ability to pay does not force the board of county commissioners to say you must raise fees to cover these costs.

Typically, the ability to pay really says can you cover the cost of the unions' proposals. When it gets into collective bargaining, that is when the ability to pay is determined based on the proposals offered by the union. This is how you assess additional administrative costs on the local government or to the

taxpayers as a result of NRS 288 or collective bargaining. There can certainly be impacts when covering those costs, but during the collective bargaining process, it is not assumed the board of county commissioners will be forced to cover fees. In order to pay these costs, you may need to raise fees and increase the cost of services.

SENATOR SETTELMAYER:

I will try to get more clarification from legal counsel at a later date. What about the concept of the revenue? Do you currently invest any money that would be affected by the passage of the bill that would mean you no longer have the ability to invest? The bill states, except as expressly granted by statute, a board of county commissioners shall not invest money. Do you have the ability to invest money now, but this language passage would prevent you from having that ability?

MR. BROWN:

From my interpretation of this bill, that language would not preclude us from doing what is already in statute. I do not see that the language would impact us in any way.

SENATOR HARDY:

On the other side of the debate, would it impact you if we removed the language "invest money"?

MR. BROWN:

I am not the author of the bill, but my interpretation is to list items that would provide examples of things that are critical and things that are already in statute. There are already a number of statutes in place regarding the investment of money. It seems this may have been placed for illustrative purposes to indicate you will still have all of the statutory coverage on the investment of money.

SENATOR HARDY:

That was my point.

CHAIR LEE:

"Invest money" should be in the bill. When it does get to NRS 288 and negotiations for collective bargaining, the city may have invested a lot of money

in a long-term account that may not be utilized to estimate the strength of the city budget at that time.

Ms. CHLARSON:

There are statutory provisions that relate to how local governments may invest money; for example, NRS 355.170 talks about ways that local governments are authorized to invest. If the statutes were repealed at a later time and there were no statutes on point relating to how local governments are investing money, that might be problematic and is certainly something we could discuss in order to address your concerns during the work session.

CONSTANCE J. BROOKS (Senior Management Analyst, Office of the County Manager, Clark County):

Generally, Clark County is in support of the bill. I appreciate the issues brought to light by Senator Hardy and Senator Settelmeyer relative to section 7. Our chief financial officer and District Attorney have some issues with the provisions listed under section 7, subsections 1 through 9. We would be happier if those were not listed but understand the Chair is interested in seeing that language remain. We do have some issues with the language and have spoken to the Nevada Association of Counties representatives and the Legislative Counsel Bureau. We are not sure our concerns can be remedied, but we wanted the concerns to be on the record.

RUSTY McALLISTER (President, Professional Fire Fighters of Nevada):

I did not sign in on this bill in support or opposition. I just wanted to listen to the discussion. It is not our desire to limit what local government can and cannot do. We would like to make sure whatever statutes are in place are followed. Ms. Matijevich indicated she was basically getting a learner's permit on home rule. We hope there is not a fatal accident while she has her learner's permit and the public employees are the result of that accident.

One of the concerns brought up by Senator Settelmeyer was the definition of reasonable fees. As an example, it was brought to my attention one of our locals had a recent Local Government Employee-Management Relations Board (EMRB) grievance case that went before the EMRB. The EMRB ruled in favor of the city, and the city asked for fees back to cover the legal fees. Basically, the city attorney with a salary and benefits makes approximately \$56 an hour or somewhere in that vicinity. Yet, when the bill was received for recovery fees,

the deputy city attorney charged a \$250 fee. Increasing the fees by \$200 is unreasonable, and we want to ensure this does not happen on a regular basis.

CHAIR LEE:

We will close the hearing on S.B. 385 and open the hearing on Senate Bill 384.

SENATE BILL 384: Authorizes the governing body of a local government to adopt procedures for the sale of naming rights to certain public facilities. (BDR 28-172)

SENATOR JOHN J. LEE (Clark County Senatorial District No. 1):

Senate Bill 384 extends the authority for local governments to sell naming rights to certain public facilities. As many of you know, during the 2009-2010 legislative interim, I served as the Chair on the Legislative Commission's Committee to Study Powers Delegated to Local Governments. This bill is one of three the Committee requested in an attempt to give more autonomy to Nevada's local governments.

The Nevada Legislature approved S.B. No. 497 of the 74th Session, a bill that I sponsored which authorized the Clark County Board of Commissioners to adopt, by ordinance, procedures for the sale of the naming rights to the shooting range owned by the County. This included its buildings, improvement, facilities and events. The measure also provided for the creation of an enterprise fund exclusively for the proceeds of naming rights, fees, gifts, grants and other sources of revenue received by the shooting range. The Legislature approved A.B. No. 52 of the 75th Session, which also authorized boards of county commissioners to adopt ordinances relating to the lease of naming rights for property and events in public hospitals.

Clark County has adopted ordinances specifically addressing the naming program for Clark County Shooting Park and University Medical Center. Providing local governments with the power to sell naming rights for certain facilities is financially beneficial to local governments and supports the community and other organizations. It allows people to be involved and actively participate in social capital, plus it gives residents and organizations the opportunity to participate in the development of local government activities and programs. Because of these clear benefits, the Study Committee requested this important legislation. During discussion on the recommendation, the Study Committee agreed to allow each local government to craft its naming

rights ordinance as it deems necessary. The Committee further noted that Clark County's naming rights ordinance serves as a good model.

In short, S.B. 384 authorizes the governing body of a local government, including counties, cities, town, school districts and general improvement districts, to adopt procedures by ordinance, for the sale of the naming rights to parks, recreational facilities or other public facilities owned by the local governments. The naming rights can also be sold for activities, events and programs that take place at these facilities.

I urge your support of this measure in an effort to give a little more flexibility and control to local governments in handling their public facilities.

At the Shooting Park, we have an overall plan that says if you want to come in with X amount of dollars and put your name on this building, or you want to build a building, you are allowed to once you go through the Board of County Commissioners. The Board must determine that you are a legitimate, proper type of business that could be associated with the Shooting Park and be allowed to name something according to your event. A gentleman's club could not build a building, support it and advertise it at the Shooting Range.

Secondly, there is a procedure that allows you to name a range for the day; for example, you want to name the archery range the Ted Nugent Archery Range for a day. You could rent that place for a day, spend a little bit more for naming rights and thereby help with the internal controls of the park as we try to build more ranges. Right now, Clark County can not subsidize the Shooting Park, as it must be self-sufficient. There are many other features where the counties and local governments would like to try this process.

MS. CLEWETT:

We are in agreement with this bill and absolutely urge your support.

MR. FRASER:

I want to indicate our support for this bill. As this is enabling legislation, I appreciate what it would offer to our cities.

MR. FONTAINE:

We too support S.B. 384 and believe it provides a benefit to the counties.

MS. BROOKS:

We are in support of this measure. As you stated, we have an ordinance in place relative to our Clark County Shooting Park that allows for naming rights. It also allows for funds to be raised and dedicated to an enterprise fund to help maintain the Clark County Shooting Range. We also had A.B. No. 52 of the 75th Session that allows us to do the same thing with hospitals. We are in full support and very appreciative of this opportunity.

SENATOR MANENDO:

As an example, we have the Whitney Community Center. Someone could offer \$100,000, and the Clark County Commissioners would say, okay, we will remove the name Whitney and name it Constance Brooks Community Center. Is that what you envision?

MS. BROOKS:

Our ordinance specifically states that the Board of County Commissioners has the ultimate authority over building facilities, programs and events that might be eligible for naming rights. In the example of the Whitney Community Center, which has a rich history in the culture of that area and the community residents who use that facility, I am certain the Board of Commissioners would be sensitive toward maintaining the traditions of that community facility.

Yes, it would give the County Commissioners the ability to change the name if they deem it necessary. Our Commissioners are very sensitive toward maintaining certain traditions and the culture of the community area.

SENATOR MANENDO:

I am just trying to think of facilities, parks or senior centers, but they all seem to be already named.

MS. BROOKS:

The bill also allows for the sale of naming rights for events and programs, so it is not just dedicated to buildings and facilities. It is pretty broad and local and is very much appreciated because it allows for some flexibility and creativity with regard to generating revenue. It does allow for other areas of naming rights.

CHAIR LEE:

Are you thinking if there is a named community center called Whitney and someone comes in with some money, that person can buy the naming rights to the community center and the historical name will go away?

SENATOR MANENDO:

That seems like a real possibility. Obviously, the county commissioners would then vote on that change. There are so many parks named after people who have died or served their Country. As noted in the Senate Transportation Committee yesterday, I am all for public-private partnerships. There are a lot of things we can do in the State and should be doing at the local government level. The school district that really needs to step up to the plate has had opportunities and ignored them. We have the Robert E. "Bob" Price Recreation Center, but now the name changes because the County receives money for maintenance. I am really concerned about that possibility.

MS. BROOKS:

While this does give us the flexibility to generate revenue, we do not have folks lined up around the corner to have facilities or programs named after them. So while I understand your concern, I would like you to understand, even with the Clark County Shooting Range, we do not have people who have applied to have it named after them.

SENATOR MANENDO:

There are appropriate avenues like the Clark County Shooting Range. If someone wanted to step up to the plate with some money, I would not have an issue with that, but if they wanted to change an existing name for a specific reason and if we remove it because of the almighty dollar, I think we lose more than we gain. If the economy was better, maybe in five years we could be sitting here crying because all the names on these buildings have been changed, we have made \$5 million off it and it is forever lost.

CHAIR LEE:

I understand you do not want the Robert E. "Bob" Price Recreation Center being called the Station Casinos Building and Park in the future. That makes sense and we will be sensitive to ensure that does not happen.

SENATOR SETTELMAYER:

We had a number of concerns dealing with this issue last Session in Assembly Government Affairs. Could you pull up the procedure that exists to obtain the name for the other things we have already allowed, such as the Clark County Shooting Range? I am sure you have an established procedure for this process. There were some concerns about the properness of certain names but in the same respect trying to be cognizant of the First Amendment rights of an individual to name something as he or she wishes while still being respectful. We may have done that in the past through your rules and procedures, and it may provide a level of comfort to the Committee. If that would be okay with the Chair, I make that request.

CHAIR LEE:

I will ask Ms. Brooks to meet with each of you individually to go over this bill to reach a comfort level. Then we can discuss it again during a work session.

MS. BARBER:

I would like to register our support for this legislation.

GARRETT GORDON (Reno Aces, SK Baseball LLC; Nevada Land, LLC):

In 2008, the Reno Aces and the developer constructed the Triple-A baseball stadium in downtown Reno. The mechanics of the ownership is the developer owns the real property, the redevelopment agency owns the stadium and the development agreements give the team the right to sell the naming rights. I want to confirm the existing development agreements would not be impacted by this bill. I would be happy to work with the sponsor and the Legislative Counsel Bureau to ensure no carveout is necessary.

CHAIR LEE:

We may have the answer in front of us right now.

MS. CHLARSON:

I would have to speak with the witness to ensure we can address his concerns. The bill does say that the local governments have the authority to adopt procedures for the sale of naming rights of facilities that are owned by the local government. I would be happy to discuss his particular situation and see if any changes may be needed to the bill.

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CHAIR LEE:

We will close the hearing on S.B. 384. Since we have concluded our work, I will adjourn the meeting at 11:04 a.m.

RESPECTFULLY SUBMITTED:

Martha Barnes,
Committee Secretary

APPROVED BY:

Senator John J. Lee, Chair

DATE: _____

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 393	C	Tom Collins	Map of Jurisdictional Boundaries for Bunkerville, Moapa and Moapa Valley
S.B. 393	D	Tom Collins	Letter from Bonnie Rinaldi, Moapa Development Group
S.B. 81	E	Michael Stewart	Work session document
S.B. 250	F	Michael Stewart	Work session document
S.B. 262	G	Michael Stewart	Work session document
S.B. 268	H	Michael Stewart	Work session document
S.B. 361	I	Michael Stewart	Work session document
S.B. 392	J	Michael Stewart	Bulletin No. 11-09 Powers Delegated to Local Governments