

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

**Seventy-Seventh Session
June 2, 2013**

The Committee on Government Affairs was called to order by Chairwoman Teresa Benitez-Thompson at 8:44 p.m. on Sunday, June 2, 2013, in Room 3143 of the Legislative Building, 401 S. Carson St., Carson City, NV. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at nelis.leg.state.nv.us/77th2013. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Teresa Benitez-Thompson, Chairwoman
Assemblywoman Dina Neal, Vice Chairwoman
Assemblyman Elliot T. Anderson
Assemblywoman Irene Bustamante Adams
Assemblyman Skip Daly
Assemblyman John Ellison
Assemblyman James W. Healey
Assemblyman Pete Livermore
Assemblyman Harvey J. Munford
Assemblyman James Oscarson
Assemblyman Lynn D. Stewart
Assemblywoman Heidi Swank
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

Assemblywoman Peggy Pierce (excused)

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst
Bonnie Hoeffcker, Committee Manager
Lori McCleary, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Dan Musgrove, representing City of North Las Vegas

Chairwoman Benitez-Thompson:

[Roll was called.] We are going to work session Senate Bill 21 (2nd Reprint).

Senate Bill 21 (2nd Reprint): Revises provisions governing state financial administration. (BDR 31-379)

Jennifer Ruedy, Committee Policy Analyst:

[Ms. Ruedy read an explanation of the bill from the work session document ([Exhibit C](#)).]

Chairwoman Benitez-Thompson:

I will accept a motion to do pass.

ASSEMBLYMAN ELLIOT ANDERSON MOVED TO DO PASS
SENATE BILL 21 (2ND REPRINT).

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

Chairwoman Benitez-Thompson:

Are there any comments on the motion?

Assemblyman Stewart:

Has the fiscal note been removed from this bill?

Chairwoman Benitez-Thompson:

We believe so. That is what the State Controller testified to. We are trusting in her accuracy.

Assemblyman Stewart:

It would be minimal anyway.

Chairwoman Benitez-Thompson:

Are there any further comments? [There were none.]

THE MOTION PASSED. (ASSEMBLYMEN OSCARSON AND
PIERCE WERE ABSENT FOR THE VOTE.)

Chairwoman Benitez-Thompson:

We are in recess [at 8:48 p.m.].

[This meeting of the Assembly Committee on Government Affairs was reconvened at 10:19 p.m.]

Chairwoman Benitez-Thompson:

Thank you all for being so quick and diligent in getting here at the call of the Chair. I know some of you nearly incurred bodily harm making your way here, so I appreciate that you made it and in one piece.

We are going to revisit our work session agenda on Assembly Bill 503. I will have Ms. Ruedy walk us through the amendments attached to the work session document. You have the mock-up in front of you and there are quite a few amendments that were put into the bill, mostly having to do with reporting and tightening up the language so it would be specific to the resolution of a certain problem and would not open statewide access to enterprise funds. Although that is not what the original bill did, we wanted to make sure it was a little more narrowly tailored.

Assembly Bill 503: Revises temporarily provisions governing the use by a local government of money in an enterprise fund. (BDR 31-1226)

Jennifer Ruedy, Committee Policy Analyst:

Assembly Bill 503 was heard two consecutive days this week, May 30, 2013, and June 1, 2013. The first page of your work session document ([Exhibit D](#)) summarizes the bill. However, there are numerous changes suggested in the mock-up. If you would turn to the mock-up, we can walk through some of those changes.

[Ms. Ruedy read the changes in the bill from the mock-up from the work session document ([Exhibit D](#)).]

The effective date for the sunset of June 30, 2017, remains the same, but the Legislature will be here in 2015 and can review this then, also.

Chairwoman Benitez-Thompson:

You will notice a lot of reporting requirements in the bill. We have language in the amendment that an entity that uses this needs to get prior approval from the Committee on Local Government Finance before a transaction happens. We have provisions that talk about what pieces we specifically want to see reported. You can see there is language specific to airports and for those areas in the state that have their airports set up as an enterprise fund. This specifically excludes those entities.

A lot of this language narrows the bill and puts a lot of sunshine into how these transactions are conducted, when they are conducted, and the result. In section 9, and I think this is important too, we see there are provisions about the Audit Division and a report that will be generated. What will happen in the next session, for those of us who are blessed enough to return to these seats, is we will have a report from the Audit Division about these transfers and how they were used. We can hold a hearing on that report to discuss what has been happening. I expect that will be a good meeting. My hope is, it is a meeting in which the entities who use this language come back and have nothing but good news about the state and health of their entity's financial well-being. I will also say this has been one of the most interesting bills to hear because we had two separate hearings and a lot of recesses during this bill. It has definitely been an evolution. I think we are at a point where there is a lot more transparency and understanding about why certain entities need this bill and how they are going to use it.

That being said, I know many Committee members started out very skeptical. I hope this reporting language helps you and helps you explain to your constituents why you voted for this measure and why you would authorize transfers from an enterprise fund. With the reports we get back, you can go back to your constituents who ask about this and relay the good news that cities are turning around because of it. There are many Committee members who will be watching in the interim to see how this all works out. There will be many conversations with all parties about moving forward in good faith.

Before I take a motion, are there any comments from Committee members?

Assemblyman Stewart:

This is not a great solution to North Las Vegas' problem. However, with this only applying to North Las Vegas, with the four-year limitation, with the oversight by the Committee on Local Government Finance, which has some great members whom I very much respect, with the priorities, and with the reporting system, I think it is the best solution we have available. I will be voting for it.

Chairwoman Benitez-Thompson:

I know some of you have questions and others of you have comments. We will take questions first, then we can move to comments. Are there any specific questions?

Assemblyman Ellison:

My concern is that there are three cities that fall under these provisions. I support the idea of what they are trying to do to get them out of the crunch they are in. I have no problem with that. Still, my concern is with the other two cities. Could you address that?

Chairwoman Benitez-Thompson:

I can have Legal and the other entities in the room address that. My understanding is there is only one city at this time that meets the definition we have put in the amendment. The language you see in section 1, subsection 5, paragraph (a), states, "Apply only to a local government which has, during each of the 5 fiscal years immediately preceding the effective date of this act, loaned or transferred: (1) Money from an enterprise fund." My understanding is there is only one entity, the City of North Las Vegas, that has done that and there is not another entity in the state that every year, for the past five years, has made transactions from their enterprise fund.

Jim Penrose, Legal Counsel:

That is my understanding, as well. My understanding is that the language of these criteria has been established with that understanding in mind. If anyone has a different understanding, I would certainly be interested in hearing it.

Assemblyman Oscarson:

I have a concern. I received an email about some type of resolution that was done by the City of North Las Vegas. Is that going to impact this at all?

Chairwoman Benitez-Thompson:

My understanding is that the City of North Las Vegas does indeed have a posted, agendaized resolution regarding emergency measures. It is my understanding, as well, that they will consider the necessity of that at a later time and give this bill a little bit of time to take effect, give time for folks to have conversations between management and bargaining.

Dan Musgrove, representing City of North Las Vegas:

Thank you Mr. Oscarson, for the question. We have a commitment from our city manager. He has emailed the chair of the committee that it is his intent. The meeting has already been posted, but he will walk into the meeting on Wednesday night, which is our posted meeting, and request that item be pulled.

Chairwoman Benitez-Thompson:

Are there additional questions from the Committee? [There were none.] I will take the motion to amend and do pass, and then I will take comments.

ASSEMBLYMAN MUNFORD MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 503.

ASSEMBLYMAN ELLIOT ANDERSON SECONDED THE MOTION.

Chairwoman Benitez-Thompson:

Are there any comments from Committee members?

Assemblyman Munford:

About 25 to 30 percent of my constituency is in North Las Vegas. Assemblywoman Neal knows that. I strongly support this bill. There are a lot of deep needs and necessary needs in North Las Vegas. I think my constituency will benefit a great deal from this bill, so I support it.

Assemblyman Livermore:

I am not going to support this motion. It may be a solution, as my colleague from Assembly District 22 said, but I do not think it is the right solution in this case. The monies that have been collected in an enterprise fund for storm water, sewer water, and water are intended to rehabilitate those things, rather than transfer it in to the general fund. I spoke yesterday that a little under \$5 million is going to go to cost-of-living adjustments, merit salary increases, et cetera. At the same time, I also have information here from the Nevada Policy Research Institute that public safety has some of the highest salaries in all of Nevada. Because of that, I think this is the wrong decision to be made at this time. If that is the case, we are going to be back here in two years in the same position looking for another solution. For those reasons, I am going to vote no on this bill.

Chairwoman Benitez-Thompson:

I think your comments reflect a lot of the sentiment that different Assembly members have had and it has been at the heart of many of these conversations. I do not think this is a vote any of us are making easily or taking for granted.

Assemblyman Ellison:

My problem is this may create a precedent. I was told there were actually three cities that fall within these provisions. My biggest fear is the precedent.

Assemblyman Healey:

I would like to say that I support this bill and appreciate all the hard work by the Chairwoman and many of the members of the city and labor that came together. This may not be a perfect solution, as most things are not. I think the worst thing we can have happen right now is to allow North Las Vegas to have to be taken over by the state or other agencies. They are a very proud community. I am glad that labor has stepped up here and made some concessions. The city has prioritized fire and police, which I believe are the most vital things to making sure we keep a safe, thriving community. I support this bill.

Assemblyman Elliot Anderson:

I think this is necessary. I certainly understand my colleagues who will not be voting for this measure. However, it is not easy to explain to someone who needs police or fire service. The testimony we have heard about the number of units that are out of commission from day to day, would any of us in that situation worry about whether or not it is coming from an enterprise fund? If they do not have police and fire, they need police and fire. Certainly, this is not the best way to do it, but if we go down that road, we are getting more into the fiscal debates that surround the Legislature that it is going down a rat hole. The most important thing is keeping people safe and that is why I am supporting this measure without reservation.

Assemblyman Oscarson:

I do not like this one bit and I am very uncomfortable supporting it. I think there are a lot of things that got us here. I am going to support it because I believe the people of North Las Vegas deserve public services. I appreciate the folks who came together to make this work, but I am going to be watching very closely. I think it is important that this work. The State does not want anything to do with running the City of North Las Vegas. You guys should be able to run yourselves and you should be able to manage the funds that you have available to you. I am not scolding you; I am just saying this is a really difficult decision. The way I justify this is if one of my communities needed this to be done for them to protect them with fire and police services, I would support it. I support my colleagues. I understand my other colleagues who are voting against it, but I will support it. Please make sure you know there will be a lot of us watching.

Assemblyman Daly:

I am also going to reluctantly support this bill. I understand the situation North Las Vegas is in. What got me over the hump, and I would like to put it on the record, is that I probably would not support it if we were not taking the measure off to declare an emergency measure. I think the first one was wrong.

I think it was an abuse. I think it is heading in the right direction and we do not want to take over North Las Vegas. We hope all the parties concerned get that done. The emergency measure was the deciding factor for me.

Assemblywoman Bustamante Adams:

I have been listening and I am really in awe of the grace and generosity that our southern Nevada legislators are extending to North Las Vegas. If I did not believe in the leadership of these individuals, I would be voting no. I am disappointed that the lack of communication that just happened in the last 12 hours is also an indication that there is still a communication barrier somehow that I do not understand. It is clear to me what transparency means, but I am not sure some of the individuals within the city government get it. I will be reluctantly supporting the measure. I believe in our legislators and the people of North Las Vegas.

Chairwoman Benitez-Thompson:

We have the motion before us. I think the legislative record and intent is clear that we are moving forward—skeptically so. We expect really good reports when we come back in two years. A number of us are going to be watching and following this and we hope that it really works. With that said, we will vote on the motion.

THE MOTION PASSED. (ASSEMBLYMEN ELLISON AND
LIVERMORE VOTED NO. ASSEMBLYWOMAN PIERCE WAS
ABSENT FOR THE VOTE.)

Chairwoman Benitez-Thompson:

The Committee will stand in recess [at 10:42 p.m.].

The Assembly Committee on Government Affairs was adjourned [at 11:59 p.m.,
June 3, 2013].

RESPECTFULLY SUBMITTED:

Lori McCleary
Committee Secretary

APPROVED BY:

Assemblywoman Teresa Benitez-Thompson, Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: June 2, 2013

Time of Meeting: 8:44 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 21 (R2)	C	Jennifer Ruedy, Committee Policy Analyst	Work session document
A.B. 503	D	Jennifer Ruedy, Committee Policy Analyst	Work session document