

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

**Seventy-Seventh Session  
April 29, 2013**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 1:37 p.m. on Monday, April 29, 2013, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 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 David R. Parks, Chair  
Senator Pat Spearman, Vice Chair  
Senator Mark A. Manendo  
Senator Pete Goicoechea  
Senator Scott Hammond

**GUEST LEGISLATORS PRESENT:**

Assemblyman Richard (Skip) Daly, Assembly District No. 31  
Assemblyman Ira Hansen, Assembly District No. 32  
Assemblywoman Marilyn Kirkpatrick, Assembly District No. 1  
Assemblyman Peter Livermore, Assembly District No. 40

**STAFF MEMBERS PRESENT:**

Patrick Guinan, Policy Analyst  
Heidi Chlarson, Counsel  
Gwen Barrett, Committee Secretary

**OTHERS PRESENT:**

Kimberlee Tarter, CPPB, Deputy Administrator, Purchasing Division, Department  
of Administration  
Carole Vilaro, Nevada Taxpayers Association  
Liz MacMenamin, Retail Association of Nevada

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Priscilla Maloney, American Federation of State, County and Municipal Employees Local 4041, AFL-CIO  
Caleb S. Cage, Executive Director, Office of Veterans' Services  
Paul McKenzie, Executive Secretary-Treasurer, Building and Construction Trades of Northern Nevada, AFL-CIO  
Danny L. Thompson, Executive Secretary-Treasurer, Nevada State AFL-CIO  
Brian Reeder, The Associated General Contractors of America, Inc., Nevada Chapter  
Glen Whorton, President, Nevada State Prison Preservation Society  
Myron Carpenter, Board of Directors, Nevada State Prison Preservation Society  
E.K. McDaniel, Deputy Director, Operations, Department of Corrections  
James R. Lawrence, Administrator and State Land Registrar, Division of State Lands, Department of Conservation and Natural Resources  
Robert L. Crowell, Mayor, Carson City  
Ronni Hannaman, Executive Director, Carson City Chamber of Commerce  
James Kelly  
Mary Kelly

**Senator Spearman:**

I will open the hearing on Assembly Bill (A.B.) 41.

**ASSEMBLY BILL 41 (1st Reprint)**: Makes various changes to provisions relating to state purchasing. (BDR 27-283)

**Kimberlee Tarter, CPPB (Deputy Administrator, Purchasing Division, Department of Administration):**

The intent of this bill is to create additional efficiencies within the State's government contracting process. I have a written summary ([Exhibit C](#)).

Section 1 relocates the provisions of *Nevada Revised Statute* (NRS) 284.1729 out of the personnel statute and into the procurement statute. This is a contract issue, governing the section of the statute relating to the State of Nevada contracting with current and former State employees. Putting it in the contracting section addresses the approval process.

The approval process takes two meetings of the State Board of Examiners (BOE). The meetings are held monthly, and getting an item on the agenda takes a minimum of 30 days. The agenda item has to go before the BOE for that

relationship to be considered; if the BOE approves the relationship, you must go to the following month's meeting to get the actual contract approved. We are proposing to keep the same approval process of the relationship and potential contract, but it would be two separate agenda items heard at the same meeting.

Section 3 raises the State invitation to bid threshold on commodities, equipment and supplies from \$25,000 to \$50,000. That puts it commensurate with local governments. This also offers flexibility to work with emerging business enterprises and projects that Assemblywoman Bustamante Adams is working on.

**Senator Spearman:**

You mentioned emerging enterprises; does that include veterans' businesses?

**Ms. Tarter:**

Yes, that would continue to apply. A separate statute for small, veteran-owned, disabled, disadvantaged businesses has a 5 percent preference.

This bill will raise the threshold. It gives us room to work with the emerging businesses to ensure that we bring them into the State's fold, so to speak, so we can educate them on how to do business with State government and start them at an informal threshold as opposed to going to the full invitation to bid. Another bill will assist the Purchasing Division and the State Public Works Division in managing that more effectively.

Section 5 addresses service contract thresholds. Currently, a contract that exceeds \$1,999 but is not more than \$9,999 must be submitted to the Budget Division for review with the Clerk of the BOE. If a contract exceeds \$10,000, the Clerk no longer has approval authority and it has to be submitted again to the BOE, with another 30-day period required for the public meeting. We want to increase the Director of the Budget Division's approval authority, as the Clerk to the State Board of Examiners, from \$10,000 to \$50,000. With respect to emergency contracts, we want to increase the approval from \$25,000 to \$50,000. These threshold increases will improve the State's efficiency in contract approval without taking away any of the oversight or changing any of the procurement requirements. It simply allows the contracts to be approved in a more timely fashion.

Section 6 states that if a State agency or employee enters into a contract for supplies, materials or equipment contrary to the provisions of NRS 333, that contract is void and the head of the agency or the employee can be held personally liable. We are asking to add the word "service" in front of supplies, materials or equipment to make it consistent. If you enter into a service contract or a commodity contract contrary to the provisions of this statute, you would be held personally responsible and the contract itself would be void.

The rest of the statute is cleanup language by the Legal Division.

**Senator Spearman:**

We will close the hearing on A.B. 41 and open the hearing on A.B. 252.

**ASSEMBLY BILL 252 (1st Reprint)**: Makes various changes to the Nevada Administrative Procedure Act. (BDR 18-539)

**Assemblyman Ira Hansen (Assembly District No. 32):**

Assembly Bill 252 makes various changes to the Nevada Administrative Procedure Act. The Nevada Administrative Procedure Act is set forth in statute to establish the procedures for the Executive Branch agencies of State government to promulgate administrative regulations. I would like to start by walking the Committee through each section of the bill.

Section 1 requires an agency to submit a notice of any meeting or workshop relating to the adoption of a regulation to the Director of the Legislative Counsel Bureau (LCB) at the same time that the agency posts notice of the meeting or workshop for posting on the Website maintained by the LCB.

Section 2 provides that a regulation will be deemed withdrawn if the agency fails to adopt the proposed regulation within 2 years after the day of submission to the LCB or to successfully petition the Legislative Commission for an extension of time.

Section 3 requires an agency to include a clear and concise explanation of the need for the adopted regulation when submitting the informational statement required by State law with any proposed regulation.

Section 4 allows an objection to a regulation to be made by the Legislative Commission or the Subcommittee to Review Regulations if the agency did not

provide a satisfactory explanation of the need for the regulation or the information a statement is insufficient or incomplete.

Section 5 makes the provisions of this bill applicable retroactively to any regulation proposed but not adopted before July 1 and to any regulation adopted on or after July 1.

In a recent news article, one of several reasons cited by the LCB Director for the backlog in drafting bills for the 2013 Session was a need to draft regulations after a moratorium expired. Shortly after Governor Brian Sandoval took office in January 2011, he issued Executive Order 2011-01 to all State agencies to refrain from drafting administrative regulations except in certain circumstances.

Assembly Bill 252 is intended to enhance the justification for State agency regulations to ensure regulations are promulgated in a timely manner and to ensure the Legislature is informed of the promulgation of regulations from the beginning. This bill will improve the process and timeliness of promulgation of administrative regulations in the State.

I have a set of Legislative Commission regulations in several binders and a full storage box. We typically receive them 1 day before a hearing.

Every single thing we do in the Assembly and Senate gets fine-tuned. The worst bills you can present are the single-sentence ones because everybody gives them a thorough going-over. One of the most common complaints about government these days is in regard to way too many rules and regulations. While legislation drafts the *Nevada Revised Statutes*, Legislators are aware of—as opposed to most people—the *Nevada Administrative Code* (NAC), an entirely different body of law. My storage box contains the NAC rules and regulations submitted to the Legislative Commission. For the most part, nobody pays close attention to these.

Assemblywoman Marilyn Kirkpatrick and I got together on this bill because we were frustrated; the Legislative Commission is the one spot where State regulations, as promoted by the agencies, are funneled through some sort of legislative oversight committee. We discovered—and that is why it is in this bill—that in the absence of a clause that demonstrates need, there was not much we could do to block some of these regulations. Legislative Counsel

Brenda Erdoes of the Legal Division has pointed out that legislative intent gives the ability to do some of these things.

The binders in my storage box carry as much weight as the laws we pass in the *Nevada Revised Statutes*. They are enforced by the court and you can go to jail, yet little oversight exists in all these things. We want to give the Legislative Commission more teeth when these regulations come through the funnel that develops between government agencies and requirements placed on the public. We want more control and ability to determine whether all of the regulations are truly needed.

I am a plumbing contractor, and it is a headache when plumbing codes change; we have to redo our books and retrain our personnel. The changes may seem minor when done on the government side, but the impact on private business can be enormous. That is the entire scope of the bill. We are trying to establish whether there is a need for these regulations to be brought forth. That is the purpose of A.B. 252.

**Senator Hammond:**

Did you read all of that?

**Assemblyman Hansen:**

Yes, I did. I read them at bed with my highlighter and sticky notes, going through every page. My reading them became a problem because most of the Commissioners did not read them. Typically, those meetings would last only a half a day, but just my portion would last half a day. I want to prevent regulations from promulgation without a heavy level of legislative oversight.

**Senator Spearman:**

I wish you would have been here Friday when I testified before the Assembly on Senate Bill 236, which I call the technology bill, because I think we are spending way too much money on paper.

**SENATE BILL 236 (1st Reprint):** Revises provisions governing state agencies.  
(BDR 19-769)

**Assemblyman Hansen:**

I will not argue with that, not to mention the cost of mailing the binders to every member of the Legislative Commission.

**Senator Goicoechea:**

As we pass legislation, we tell the agencies “and regulations as necessary.” We are somewhat to blame, because when we pass a bill, we tell them they need to adopt the regulations to put this in place.

**Assemblyman Hansen:**

I agree with that. This will not suddenly stop us from all the regulations. Regarding those regulations that do not need to be placed in the NAC, this will give us some teeth to block them.

We are here for 4 months and deal with people running agencies, in many cases on an everyday basis and for decades, who understand how the game is played. If they bring a proposal to the Legislature and do not get everything they want, they slip it into a regulation, bring it to the Legislative Commission and—presto, even though it did not go in the NRS—it goes in the NAC. This is one of the checks and balances that needs strengthening.

**Assemblywoman Marilyn Kirkpatrick (Assembly District 1):**

We have seen that regulations do not get done for several years. We do not come here to write laws that never get implemented. This bill has a significant time frame so folks will know that their bills were passed and changes made into statute. This bill also ensures the agencies continue to move forward with regulations.

Last interim, about 70 regulations required adoption in a short time frame, many going back to 2007. We have made progress with regulations since 2005, when NRS 233B discussions first began. For years, you could not find regulations or workshops available on the Internet; they just appeared. If the agency did not like the outcome, emergency regulations were adopted through the Governor. Over time, we have done a good job of holding transparency pieces and working to make sure that we get the intent of the legislation, which is difficult to remember 4 years later. We also have term limits coming into play. New people need to understand how all these regulations get done, when they get done, and that regulations often bring a fiscal note. This bill will hold people accountable and make it more transparent going forward. This is good for the future and good government policy.

**Senator Spearman:**

My technology bill is making its way through the Assembly because there is too much paper.

**Assemblywoman Kirkpatrick:**

It is difficult to read regulations on the Website when referring back to sections when a regulation is 93 pages long. Perhaps your technology bill will help shorten the regulations.

**Carole Vilardo (Nevada Taxpayers Association):**

I am pleased to support this bill.

I am aware of a few regulations that have been opened for more than 6 years. During that time, there could be a new deputy, new administrator or the law has totally changed. Legislators flesh out details in regulations, modify a law and 2 years later wind up dealing with a resurrected regulation. A 2-year time frame is good policy.

**Liz MacMenamin (Retail Association of Nevada):**

I support this bill. We like the time frame, and we urge your support.

The people we represent must go before an agency that takes up to 5 years to pass a regulation. A bill passed in 2011 took the agency 2 years, with our continuous inquiries and contact from a Legislator, to move on the regulation.

**Priscilla Maloney (American Federation of State, County and Municipal Employees Local 4041, AFL-CIO):**

We urge you to pass this bill to move the process along, keep it transparent, keep it efficient and keep those notices going out.

After the 2011 Session, a number of regulations implemented in the personnel code affected all State workers, including some that had a fiscal impact; additional 5 percent cuts for shift differential pay, bilingual pay, etc., were cut through the regulatory process. I am on a list from the Division of Human Resource Management and automatically receive notices for regulation workshops. The average person has a difficult time finding a notice for a regulation workshop, and the workshops begin the process.



**Assemblyman Hansen:**

Please give this bill serious consideration.

**Assemblywoman Kirkpatrick:**

Agencies have a tough job. We need transparency and availability when it comes to saying why the regulations matter. This bill gives the Legal Division the ability to send a regulation back if it does not move forward.

**Senator Spearman:**

I will close the hearing on A.B. 252 and open the hearing on A.B. 266.

**ASSEMBLY BILL 266 (1st Reprint)**: Revises provisions relating to veterans.  
(BDR 37-527)

**Assemblyman Peter Livermore (Assembly District No. 40):**

I will read my written testimony ([Exhibit D](#)).

**Senator Goicoechea:**

Prior to this change, members of the Nevada National Guard have not always been defined as veterans, have they?

**Assemblyman Livermore:**

That is correct. When the President calls for their service, they become activated. This bill provides a definition in the *Nevada Administrative Code* that matches the federal code for veterans. In the past 11 years, we have called to active duty and deployed many reserve units and elements of the military. The definition has been gray in some areas. This definition change allows all veterans across the *Nevada Revised Statutes* to refer to that statute, making it clear that they qualify for veteran benefits.

**Senator Goicoechea:**

You still have to be actively called back to duty or deployed?

**Senator Spearman:**

I would like some clarification as to what you just discussed. The difference, as I understand it, between the Reserve and the National Guard is that the U.S. President can activate the Reserve but the Governor activates the National Guard. In the last two wars we fought, two-thirds of the troops were Reserve and National Guard.

**Caleb S. Cage (Executive Director, Office of Veterans' Services):**

This bill would preclude the requirement that the troops be activated to federal service under Title 32, USC, active duty status.

In the last decade, most National Guard and Reserve members have been activated. When activated, they automatically receive a DD Form 214, allowing access to all benefits. If they served 6 years and were not activated, they are not eligible for any future benefits created in statute, especially under NRS 417.

This bill says that if they have not been activated and do not have a DD Form 214 but served 6 continuous years, they are veterans with respect to NRS 417.

**Senator Goicoechea:**

I know of a number of National Guard members who served their 6 years but were not activated. They will have veteran status with the passage of this bill?

**Mr. Cage:**

With regard to NRS 417, that is correct. I provide that caveat because this does not change county assessors definitions, the purchasing code or anything through the Purchasing Division. This is strictly for the Office of Veterans' Services, NRS 417.

**Senator Spearman:**

Does it apply to those who are activated because of a natural disaster?

**Mr. Cage:**

As long as they serve for 6 continuous years, it precludes their activation requirement all together. It would count, yes.

**Assemblyman Livermore:**

I asked the Senate Government Affairs Committee to support A.B. 266 because of the points that have been put on record.

**Senator Spearman:**

We will close the hearing on A.B. 266.

**Chair Parks:**

We will open the hearing on A.B. 85.

**ASSEMBLY BILL 85 (1st Reprint)**: Revises provisions governing certain purchasing contracts and consolidation agreements. (BDR 27-277)

**Assemblyman Richard (Skip) Daly (Assembly District No. 31):**

Provisions in State, local and school district purchasing allow for what is called a "joinder," which means to join in on a contract; it is a good cost-saving tool. If Clark County needs 150 pickup trucks, another city or county could join in for the same purchase price, allowing for a better contract and buying power. The joinder works well for purchasing pickup trucks, paperclips, paper, those types of commodities. It also works well for services, such as computer services.

Some people got creative and began using the joinder or joining in on contracts for construction services. Our construction chapter, NRS 338, includes bidding, qualifications, specifications, engineering, thresholds, advertising, etc. Construction projects are not the all same, unlike the purchase of pickup trucks or paper clips.

The problem with joinder first came to light on a solar panel project. Instead of bidding the solar panels as a regular construction project, the contract was under NRS 332. The solar panel project was on a kilowatt hour at \$4.50 per kilowatt, and other agencies started joining in on completely different types of construction projects; Reed High School built car covers with panels on top, the Carson City School District put up posts and panels with no covering, dirt work was done, etc. All the extra work not in the first contract was done as add-ons. Other contractors wanting to potentially bid on the projects were locked out. A contract in Sparks that started at about \$500,000 turned into about \$10 million worth of unbid work by the awarded contractor. Other contractors were rightfully upset. This contract did not lend itself to the normal contract joining in of purchasing a like item at a similar price.

This bill still allows joining in. This bill does not permit joining in if the vendor or any portion of the work requires a license under NRS 624, thus eliminating contractors.

**Paul McKenzie (Executive Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada, AFL-CIO):**

We support this bill.

We are involved in the controversy over the contract that Assemblyman Daly mentioned. One slight correction: that particular joinder contract turned into nearly \$60 million. We do not know if we have tracked all of the work that was a join-in, because most entities did not use a Public Works identifying number. The construction portion was all an add-on; the \$4.50 per kilowatt hour came in at \$8.50 per kilowatt hour.

A couple of other instances used joinder, but none as obvious as the solar panels. A paving project in the City of Reno was bid by the cubic yard. Installation by the cubic yard was added on top of the costs of the cubic-yard asphalt. Originally, it was a contract to patch the streets in Reno; then parking lots and city street paving were constructed, using the asphalt numbers. The law was not intended to allow that joinder. We contested it all the way to the Nevada Supreme Court; there was no ruling made on the status because the projects were completed and the issue was moot. The law never allowed for this to happen. This clarification will make it much plainer for people to understand.

**Senator Spearman:**

It was bid at about \$4, but it came in at about \$8. Did that double the cost of the project?

**Mr. McKenzie:**

Yes, it doubled the cost of the project because the project was bid for the panels and the installation hardware. The wire, converter, dirt work, everything else was added on, doubling the cost of the project.

**Danny L. Thompson (Executive Secretary-Treasurer, Nevada State AFL-CIO):**

We support the bill.

The job that started in Sparks went completely around the State, and all the work was done without using the bidding process. This bill closes a loophole that was never intended to exist.

**Brian Reeder (The Associated General Contractors of America, Inc., Nevada Chapter):**

We support A.B. 85. Construction services should not be included in joinder purchasing contracts. Every construction project is unique and requires a bid

unique to the specifications and conditions of the project. Joinder purchasing contracts work great for office supplies and vehicles.

**Chair Parks:**

We will close the hearing on A.B. 85. We will now go to A.B. 356.

**ASSEMBLY BILL 356 (1st Reprint)**: Encourages the development of recommendations to preserve the Nevada State Prison for historic and certain other purposes. (BDR S-493)

**Assemblyman Peter Livermore (Assembly District No. 40):**

I believe it is important to give individuals the opportunity to learn Nevada's history and character; for that reason, I introduce A.B. 356. Nevada State Prison is located on East 5th Street in Carson City. It was built in 1860 by pioneer Abraham Curry as the Warm Springs Hotel. The landmark prison was established in 1862 by the Nevada Territorial Legislature and represented the first executive agency created in the State of Nevada.

The sandstone quarry on the site contributed to the construction of State, Carson City and private buildings, including the Capitol building, the United States Mint, the Virginia and Truckee Railroad engine house and many other public and private buildings. The lands and grounds of the prison are known to contain unique specimens of extinct species and gave rise to the legend of Homo Nevadensis. The first lethal gas execution chamber in the world that was designed and used at the prison is still active.

The prison has a well-established and colorful history as a maximum security prison, replete with riots, escapes, executions, musicians, gaming and Hollywood films, all of which provide an intriguing historical value.

On May 18, 2012, after 150 years of continued service, the Nevada State Prison was decommissioned. This facility is likely to fall into disrepair without continuous maintenance and upkeep.

Section 1, subsection 1 declares that as an integral part of the history of the State of Nevada, the Nevada State Prison should be preserved as a historical place. Section 1, subsection 2 calls for encouragement of Carson City, any nonprofit organizations and any other interested stakeholders to work cooperatively with the Department of Corrections, the Office of Historic

Preservation of the State Department of Conservation and Natural Resources and the State Land Registrar to develop recommendations for the preservation, development and use of the Nevada State Prison as a historical, educational and scientific resource for the State of Nevada and present each recommendation to the Legislature along with any recommendations for legislation that may be necessary to fully implement the recommendations.

Section 2 of the bill has the effective date as July 1.

History is an important part of this State, particularly with respect to Carson City. The Nevada State Prison is a part of that history and should be preserved and protected for future generations. I urge members to support A.B. 356.

**Glen Whorton (President, Nevada State Prison Preservation Society):**

We support A.B. 356 and have a presentation ([Exhibit E](#)). We are particularly interested in the older part of the facility outlined in red on page 3, [Exhibit E](#). There is the old cell house, culinary building, warden's home and officers' cottages. We are not the only ones interested in the site. A lot of stakeholders are involved: the Office of Historic Preservation; Division of State Lands; Department of Corrections; Division of Museums; University of Nevada, Reno; and others.

We are particularly interested in preservation because of the facility's historical impact. The Nevada State Prison has been an element of the community since its founding, and it has had social and fiscal impact on the community. We are interested now for its educational benefit—the ability of our citizens to see how their money was spent and how the organizations were operated. There has always been a lot of interest in our institutions, and this is a good opportunity to open them up to our community. The University of Nevada, Reno, Department of Criminal Justice is interested in not only studying the prison but in holding classes there as a giant training aid.

The following documented events are famous in our history: the escape of the 20-some inmates from the institution that resulted in the shoot-out at Convict Lake, the discovery of the sloth footprints below the tag plant and the Warm Springs Hotel as a primary gathering place for the Territorial Legislature. We have a more negative history: the first lethal gas execution in the U.S. in

1924 of convicted murderer Gee Jon and the legalization of gambling in institutions.

The University of Nevada, Reno, is also interested in the architecture. The entire facility represents a continuum of correctional architecture from the beginning of correctional facilities in the Country through present day. The quarry has been used as a resource for construction in this community for many years. Many of our historical buildings would not exist without the raw materials dug out of the earth by inmates.

There is paleontological interest due to the sloth prints. We took a tour a few months ago, and a maintenance worker with the Department of Corrections reached up into a wall just below the old cave area and pointed out fossilized bone sticking out of the bluff. It is a rich geological and fossil site. Dr. Eugene Hattori, Curator of Anthropology, Nevada State Museum has looked at the sloth footprints to determine their viability for display and at other areas for investigation, including a graveyard.

Slide 10 of [Exhibit E](#) has a picture of the Warm Springs Hotel. The building was located between the gate and the front of the administration building. During this Session, we displayed some pictures of the prison in the Legislative Building foyer; during the course of the display, someone looking at them identified the location of the Warm Springs Hotel on the current grounds. I have been around that facility for 40 years and did not know the location; it is an amazing discovery that took such little effort.

Other states have converted old prisons. The oldest institution in Deer Lodge, Montana, has been converted to a museum and is used in films. The Yuma Territorial Museum in Yuma, Arizona, has been developed as a tourist attraction. Neither of these communities has the attraction that Carson City and the Reno/Tahoe area represent. We are in a beautiful and ideal spot for the development of this project.

Our vision includes a museum and the film industry. The site presents a good movie location because it is visually and architecturally appropriate. Movies have been filmed there in the past. Moviemaking would be a boost to the economy of the community and the State. The prison has that proximity to Carson City and everything attendant, essentially expanding Carson City as a tourist destination.

We are not sure exactly where this will go. Our point with this bill is to get a planning process and engage stakeholders. The more people and organizations interested in this to increase usage of the facility, the better it gets.

**Myron Carpenter (Board of Directors, Nevada State Prison Preservation Society):**

About 16 months ago, we started working on converting the prison into a museum. The prison is important to me because of my background as a teacher. I taught in a rough part of Los Angeles for 11 years; some of my students were members of gangs known as the Crips, Bloods and Los Compadres. I talked to one student who was president of the Los Compadres many times, asking him why he was in the gang, trying to talk him out of the gang. I told him that his life would not be worth a darn as long as he stuck around there and that he would end up with a gunshot or in prison. I almost had him talked into quitting the gang and moving away. One day he walked through the front door of a party in South Pasadena and was shot-gunned to death. I feel partially responsible for his death.

I moved back to Nevada and started teaching at Douglas High School. I took my classes to the Nevada State Prison and the Warm Springs Correctional Center—a women's correctional facility at that time. There was nothing more exciting for my seniors than to walk through that door and see about 900 inmates staring at them. They walked through the grounds, heard inmates making remarks, and the remarks were not nice. The visit served a point; if we kept the kids out of that position, it was well worth it. Over the years, students and their parents have told me that they still remember the trip through the prison.

If the Nevada State Prison is made into a museum, we can get the school districts to tour the facility and see how the inmates lived. Grades 7 and 8 are the best times to start because they are impressionable at that age; they are under peer pressure, they are looking for notoriety and they want friends. They are also subject to the other elements: drugs, alcohol, pills and gangs. We can stop that from happening by showing them where people had to live because they got off on the wrong track.

In October 2011, there was an article reporting that the Nevada State Prison was going to close for good. Closing the prison meant that the kids would not be able to tour the grounds with two armed guards, a couple of inmates and a director to show you what really goes on.



What would become of that building? I lived in Los Angeles, and I know what happens to vacant buildings; they become drug hangouts with gang graffiti. That will happen to the Nevada State Prison if left vacant and without maintenance. A friend who has construction experience indicated that when that happens to the prison, it will be costly to get rid of it. By then it will be too late to save; it will be torn down, costing the taxpayers around \$10 million or \$12 million, and they are not going to go for that. The Legislators will determine what happens.

Ronni Hannaman, Executive Director of the Carson City Area Chamber of Commerce, told me about the Old Idaho Penitentiary located in Boise, Idaho. I contacted the museum and spoke with a lady who supplied me with some statistics: 7 years ago the prison was converted to a museum as a nonprofit organization. The first year, 2008, drew almost 24,000 visitors with a revenue of \$86,500-plus. In 2009, 28,000 visitors provided a revenue of \$113,000. The first 9 months of 2012 brought 43,000 visitors with a revenue of \$205,000. Highway 94 is the only major route to get to the Old Idaho Penitentiary. We have five different highways to draw people in from all ends of the State.

The preservation of the Nevada State Prison will be self-supporting. With good marketing, it will be even better for us. Interest from other organizations includes the Virginia and Truckee Railroad and the Carson City Fire Department, which are both interested in opening museums at the site.

Fifty years ago, if the Legislature and the townspeople had been on the stick, they could have brought the railroad out of Virginia City via U.S. Highway 50 into the old roundhouse, which would have drawn tourists and customers. But we let it sit, and it became a drug haven with graffiti. It had to be destroyed. The people in this town and the northern part of this State have not forgotten the roundhouse. Many people have contacted us over the past 16 months, wanting us to get a museum at the Nevada State Prison.

Let us make this area a destination place instead of a place to stop, have a hamburger and fill up with coffee. People have told me that, although Carson City is the State capital, it is not a destination place. We need something here good for the entire State to draw people into our casinos, hotels, restaurants, motels and department stores. The prison is a good

marketing piece, and it will draw people and tourists. We cannot ask for a better situation.

**Senator Spearman:**

Are you working with the Governor's Advisory Council on Economic Development to bring this about?

**Assemblyman Livermore:**

Not yet because there are two remaining operations to transfer out of the prison: the tag plant and the execution chamber. It is not too early to start planning. This bill opens a big table for a lot of stakeholders to discuss the process. We do not have a plan, but we have a lot of willingness. In 2 years, we will report back to the Legislature with a recommendation. At this point, the intent is to make sure that the prison does not get boarded up and become pigeon- and rat-infested.

**Chair Parks:**

With the passage of this bill, we will enter a phase of developing recommendations. What will happen to the facility over the next 2 years?

**Assemblyman Livermore:**

The prison is still funded for maintenance through the fifteenth year. The execution chamber needs to be there. Now is the time to start looking at our options.

**E.K. McDaniel (Deputy Director, Operations, Department of Corrections):**

We support this bill. The closing process has involved the cooperation of many State agencies, including the State Public Works Board and the State Fire Marshal Division. We have a small budget to maintain the fenced facility in its decommissioned state; security is provided on a routine basis by the adjacent Warm Springs Correctional Center. We still have three functions inside the facility: the tag plant, execution chamber, and other buildings and rooms associated with the execution process.

**Chair Parks:**

I served with Senator Goicoechea on the subcommittee that handles the Department of Corrections' budget, and what you have discussed is under consideration. It is likely the tag plant will be relocated within the next biennium.

**Mr. McDaniel:**

We want everyone to understand that we intend to continue operating the tag plant. We know it will be at least 2 or 3 years out before we make any serious changes to the facility. We support working with other agencies in an effort to not only preserve the facility but make it good for the community in any way. We support the bill and will do what we can to facilitate the process.

**James R. Lawrence, Administrator and State Land Registrar, Division of State Lands, Department of Conservation and Natural Resources:**

I support A.B. 356. The Nevada State Prison is located on one of our oldest State properties. Much of the property came to the State in a series of acquisitions that dated between 1864 and 1879. The first acquisition was 20 acres from Abraham and Mary Curry to the people of the Nevada Territory. The property is a valuable asset to the State and the Carson City community.

Assembly Bill 356 provides that Carson City, any nonprofit organization and other interested stakeholders are encouraged to work with the Office of Historic Preservation, Department of Corrections and the State Land Registrar to develop recommendations for the preservation and use of the Nevada State Prison property. The development of these recommendations is an important first step in identifying a course of action to make sure the property is protected and to identify uses for this valuable State asset.

**Robert L. Crowell (Mayor, Carson City):**

The Board of Supervisors of Carson City unanimously endorses this resolution. I speak for our entire community when I say that Carson City does as well.

Carson City has many historical landmarks, but some, such as the Virginia and Truckee Railroad roundhouse, were obliterated due to decay and hazardous conditions. Not a day goes by that a constituent does not ask me—how in the world did Carson City let that roundhouse be destroyed? When I think back, there were a lot of ideas, but we just could not get it together.

The importance of this bill is that it puts the imprimatur of the State on the prison and says that this important historic resource for our State, city and community gives a structure to Carson City—saying step up this time, work with your stakeholders. There are a lot of ideas about the best use of the property and how much it could cost. This bill says here is the framework; find the best use of this property so this asset is preserved for generations to come.

**Ronni Hannaman (Executive Director, Carson City Chamber of Commerce):**

This bill is a win-win situation not only for Carson City but for Nevada. Although the Nevada State Prison is in Carson City, it is part of the heritage of the State. If this goes through, we will have three museums, a trifecta: the Nevada State Museum, Nevada State Railroad Museum and Nevada State Prison Museum.

As soon as you pass this bill, I plan to talk with those who put the James Bond movies together because James Bond always ends up in a prison, and I think that he has to end up here in the Nevada State Prison.

**Chair Parks:**

Last week, some visitors to Carson City asked me where the Nevada State Prison is located because they wanted to see it before going back to Las Vegas. There is considerable interest in the prison.

**James Kelly:**

I am speaking in favor of the project for personal reasons. No, I was not an inmate of the Nevada State Prison; I was the chaplain for the Department of Corrections for about 7 years. I have always had an interest in how the facility could be used. Mr. Carpenter's comments were fantastic. I would volunteer to give tours at the museum. Former inmates could talk to kids about what it is like to be in prison. The furthest out idea that I came up with is a bed and breakfast facility. People would love to spend money doing an overnighter in a prison, especially in the older section with the bars.

**Mary Kelly:**

James Kelly is my brother. I am testifying because when I heard the prison was closing, I said "Oh, what a wonderful museum that would make." I also thought that it might be cool to have a 1-night experience at the prison. When my brother was chaplain at the prison, I had the opportunity to take a tour and was given a replica key from the old locks and I have that hanging on my wall; replica keys would be neat souvenirs for visitors to buy.

**Chair Parks:**

Looking at the presentation, [Exhibit E](#), there are some newer segments to the facility. What would be the likely use of those facilities?

**Mr. Whorton:**

Our interest is in the area encompassed in red. The entire facility is encompassed in yellow. There has been discussion for training and business ventures.

**Mr. McDaniel:**

We have been in contact with several organizations, especially law enforcement and correctional organizations—even at the federal level—that would like to utilize some of the area for training. The unique part of the Nevada State Prison is that it has older and newer cell houses—about five different generations' worth—that would provide beneficial training for organizations all over the world. Canine training is scheduled in the next few months. Some of the nonhistorical buildings could be used as secure storage areas.

**Mr. Whorton:**

Those activities would be more appropriate to the newer portion. The Nevada State Prison Preservation Society is more interested in the historical areas. With a lot of stakeholders, planning is necessary, and we can all coexist. The more use the facility gets, the better.

**Assemblyman Livermore:**

When I started this discussion with people in the community, the initial idea was to lease the facility for a dollar from the State and do what we want with the museum. From that initial discussion, we have gotten here today.

Today, I am asking for 2 years to look at the opportunities and return to the 78th Legislative Session with a cohesive plan for all stakeholders. I am amazed at how many ideas there are for the use of the facility. We have to put the highest and best use against the historical significance.

I ask that you support A.B. 356 to give Carson City and the State of Nevada the ability to look at that facility, plan and report back to this body 2 years from now. We will have a recommendation that you will be proud of that benefits both Carson City and Nevada.

**Chair Parks:**

Have you reached out to Tom Selleck from a publicity perspective?

**Assemblyman Livermore:**

In my first session here, we heard from a movie producer named Jim Clark who convinced the State of Nevada to create the Division of Motion Pictures. I am sure that we will have discussions with him throughout this process. The gate is wide open to a lot of stakeholders, and I see some interesting comments coming out of this plan.

**Chair Parks:**

We have received several exhibits with regard to this bill: Nevada State Prison Future Use Report ([Exhibit F](#)); Carson City Area Chamber of Commerce ([Exhibit G](#)); Carson City Convention and Visitors Bureau ([Exhibit H](#)); Carson City Planning Division ([Exhibit I](#)); Carson City School District ([Exhibit J](#)); Carson Valley Chamber of Commerce ([Exhibit K](#)); Robert L. Crowell, Mayor, Carson City ([Exhibit L](#)); Douglas County School District ([Exhibit M](#)); and College of Liberal Arts, University of Nevada, Reno ([Exhibit N](#)).

I will close the hearing on A.B. 356. Seeing that we have no public comment, I will adjourn at 3:10 p.m.

RESPECTFULLY SUBMITTED:

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Gwen Barrett,  
Committee Secretary

APPROVED BY:

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Senator David R. Parks, Chair

DATE: \_\_\_\_\_

<b><u>EXHIBITS</u></b>				
<b>Bill</b>	<b>Exhibit</b>		<b>Witness / Agency</b>	<b>Description</b>
	A	1		Agenda
	B	9		Attendance Roster
A.B. 41	C	2	Kimberlee Tarter	Bill Summary
A.B. 266	D	2	Assemblyman Peter Livermore	Written Testimony
A.B. 356	E	10	Nevada State Prison Preservation Society	Presentation
A.B. 356	F	44	Department of Corrections	Nevada State Prison Future Use Report
A.B. 356	G	1	Carson City Area Chamber of Commerce	Letter of Support
A.B. 356	H	2	Carson City Convention and Visitors Bureau	Letter of Support
A.B. 356	I	2	Carson City Planning Division	Letter of Support
A.B. 356	J	1	Carson City School District	Letter of Support
A.B. 356	K	1	Carson Valley Chamber of Commerce	Letter of Support
A.B. 356	L	1	Robert L. Crowell	Letter of Support
A.B. 356	M	1	Douglas County School District	Letter of Support
A.B. 356	N	1	College of Liberal Arts University of Nevada, Reno	Letter of Support