

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

**Seventy-Seventh Session
March 27, 2013**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 1:35 p.m. on Wednesday, March 27, 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:

Senator Kelvin D. Atkinson, Senatorial District No. 4
Senator Joseph P. Hardy, Senatorial District No. 12
Senator Justin C. Jones, Senatorial District No. 9
Senator Tick Segerblom, Senatorial District No. 3
Assemblywoman Dina Neal, Assembly District No. 7
Assemblyman James Oscarson, Assembly District No. 36

STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

Tim Farkas, Western Region Finance Manager, Ameresco, Inc.
Kyle Davis, Nevada Conservation League
Peter J. Mokler, Sunvelope Solar Inc.; EnergyFit Nevada
Ted Olivas, City of Las Vegas

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Oscar Peralta, Nevada Hispanic Legislative Caucus
Jack Mallory, Southern Nevada Building and Construction Trades Council
Patrick T. Sanderson, Laborers International Union Local 872, AFL-CIO
Frank Hawkins, President, National Association for the Advancement of Colored People, Las Vegas Branch 111
Jo Cato
Leonard Hamilton, Nevada Minority Business Center, Minority Business Development Agency, U.S. Department of Commerce
Stanley Washington, Black Business Council of Nevada; National Association for the Advancement of Colored People
Tommie Townsend
Carole Vilaro, Nevada Taxpayers Association
Nicole Rourke, Clark County School District
Jonathan P. Leleu, International Market Centers
Matthew Tuma, Nevada State Director, The Nature Conservancy
Alex Ortiz, Clark County
Lisa Mayo-DeRiso
Tom Warden, The Howard Hughes Corporation; The Nature Conservancy
Barbara Luke
Ron Krater, Gypsum Resources, LLC
Misty Grimmer, City of Las Vegas
Kirk Hooten, Las Vegas Police Protective Association
Chuck Callaway, Las Vegas Metropolitan Police Department

Chair Parks:

We will begin the hearing with Senate Bill (S.B.) 250.

SENATE BILL 250: Provides for the creation of certain local improvement districts. (BDR 21-475)

Senator Joseph P. Hardy (Senatorial District No. 12):

Senate Bill 250 supports the Property Assessed Clean Energy legislation, commonly referred to as PACE, that added renewable energy and energy-efficient technologies to the list of projects eligible for special financing districts.

Senate Bill 250 is similar to S.B. No. 100 of the 76th Session, which passed the Senate unanimously but ran out of time in the Assembly.

The goal of this PACE bill is to provide a financing mechanism, where one does not currently exist, to secure a loan to the property rather than to the owner for energy efficiency improvement and renewable energy projects. The bill does this in section 1 by giving municipalities the ability to create a district to finance one or more of these energy efficiency improvement projects or renewable energy projects. The biggest hurdle for many of these projects is if the property is sold, the seller has to recuperate any improvements at the point of sale. Using the special improvement district or the local improvement district structure, a separate loan would attach to the property. Energy improvements stay with the property, making sense for the loan to stay with the property.

The bill will not allow the local government involved in issuing the financing to pledge security for the financing that occurs. It will not affect the State or local government debt rating. This bill will only allow residents or corporations—in this case corporations—to be included when they take action to explicitly participate. A property owner cannot be voted in by a supermajority of others.

This bill does not differentiate between residential and commercial, but the residential is problematic because Fannie Mae and Freddie Mac do not allow residential properties to enter into these programs. This bill would be commercially oriented. We have a lot of commercial warehousing and flat roofs that would be able to take advantage of this opportunity.

The benefits to passage of S.B. 250 include increased economic activity by corporations and commercial property owners, leading to additional jobs for local contractors implementing their energy-efficient upgrades. Recent studies show homeowners with one of the energy efficiency improvement projects are at a 30 percent lower risk of default.

Tim Farkas of Las Vegas will be happy to walk you through this bill.

Chair Parks:

Reference was made to S.B. No. 100 of the 76th Session passing unanimously through the Senate, then to Senate Finance, where it was mentioned with no jurisdiction, and finally passing to Assembly Government Affairs on the last day of Session where it was mentioned with no jurisdiction.

Senator Hardy:

The bill passed in the Senate; it ran out of time in the Assembly.

Since the 76th Session, we have taken advantage of the advice of bond counsel and worked with the City of Las Vegas to refine the bill. You will not see the exact same bill, but the concept is the same.

Tim Farkas (Western Region Finance Manager, Ameresco, Inc.):

Senator Hardy gave a comprehensive introduction to S.B. 250.

One distinction between S.B. No. 100 of the 76th Session and S.B. 250 is the ability for a municipal government to provide security for the debt that has been taken away. The municipal issuance will be used as a conduit only, similar to a special improvement district or local improvement district; that is why it is being amended in statute. A developer can issue special improvement district financing through a city, and the issuing city is in no way responsible for the repayment of the bond.

Only participants who explicitly volunteer to be in an energy improvement district will be participating. If a county was interested in creating an energy improvement district, it would designate the entire county as such. The participants—property by property—would opt in, and when the obligation is retired, they would opt out. There is no capacity for a property owner to be voted in, which is a key thing to note.

As qualified projects come forward that meet energy improvement district criteria, they would be aggregated into a bond issuance through the participating government. The participating government would be aware of fees incurred and control how fees are recuperated through debt issuance or some other process. In concept, the debts would be set in term, which is being exercised in other states. California and Colorado have several PACE programs moving forward and successfully performing this function. This would provide a financing mechanism to energy improvement district projects that does not currently exist. It has the potential to create many jobs and benefit the State in many ways.

Senator Goicoechea:

In the event of a default, would the municipality be on the hook?

Mr. Farkas:

That is not what would happen. The municipality would not be on the hook for repayment. There are two types of special improvement districts: municipally

backed and commercially backed. We are only referring to the ones commercially backed. The first page of the bond would clearly state that the issuing city or county in no way would be responsible for repayment. It would not affect city or county's debt rating, and creditors can only look to the developer for repayment.

Senator Goicoechea:

If it was a total default, the municipality could end up with a property for a nonpayment of taxes.

Mr. Farkas:

It is issued by the municipality. If there is a default on the property, the lender would have a lien on the property that would be at par with the tax lien and superior to any bank mortgage. That is a strong place for a bank to be as far as credit goes.

Senator Goicoechea:

Perhaps on par, but technically taxes take the highest priority. Would this make it equal to taxes?

Mr. Farkas:

That is my understanding.

Kyle Davis (Nevada Conservation League):

We support S.B. 250. The bill provides another financing mechanism allowing for more energy efficiency in renewable energy projects, particularly on commercial buildings. The bill has been drafted in a way that does not put our municipalities at risk.

Peter J. Mokler (Sunvelope Solar Inc.; EnergyFit Nevada):

I am part owner of Sunvelope Solar, Inc., a solar heating and cooling systems manufacturer. We have a direct interest in the passage of this bill.

We are also a partner of EnergyFit Nevada, a range of energy efficiency and renewable energy providers in Nevada. I am here on their behalf in support of the bill.

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We design and engineer commercial systems for solar heating and cooling. We manufacture in Nevada. We would love to bring anything positive that we can to this bill.

Ted Olivas (City of Las Vegas):

We support S.B. 250. It is a tool that we would like to use for future projects.

Senator Hardy:

Senate Bill 250, section 1, subsection 9, adds the municipality assurances to which we referred. The involvement of bond counsel in the interim has helped this process.

Chair Parks:

We have received a letter in support of S.B. 250 from Jason Geddes, Ph.D., Environmental Services Administrator, City of Reno ([Exhibit C](#)).

We will close the hearing on S.B. 250 and open the hearing on Senate Bill 135.

SENATE BILL 135: Revises provisions governing redevelopment agencies.
(BDR 22-876)

Senator Kelvin D. Atkinson (Senatorial District No. 4):

I am here to introduce Senate Bill 135 by reading my statement ([Exhibit D](#)).

Senator Hammond:

What are bona fide residents and how are they identified?

Assemblywoman Dina Neal (Assembly District No. 7):

A bona fide resident is established by the City of Las Vegas through the City's discretionary hiring policy. This bill will codify the discretionary hiring policy. For the actual plan, the City requires residents to come in with licenses to show that they live within the redevelopment area.

Senate Bill No. 360 of the 76th Session was a similar redevelopment bill that was vetoed due to the narrowness of the preference to apply only to the Southern Nevada Enterprise Community as referenced in S.B. 135, section 5. The veto letter addressed the proximity to include outlying residents.

The scope has been broadened for the preference in hiring. My proposed amendment to section 13 ([Exhibit E](#)) is the enlargement to not only include the Enterprise Community but to encompass Redevelopment Areas 1 and 2, the Community Development Block Grant-targeted Census Tracts and the neighborhood revitalization areas established under the City of Las Vegas.

We want to take the low-income poverty areas the City of Las Vegas has already cited in [Exhibit E](#) and enlarge that area to represent not only the Latino, African-American and other minority communities but other neighborhood revitalization areas that could benefit from this hiring preference. If it was in the scope of the City of Las Vegas to focus on those neighborhoods and revitalize them, employment is the key to turn a homeowner or a neighborhood around.

Senator Hammond:

Are you accepting the City policy? How are credentials checked?

Assemblywoman Neal:

The Economic and Urban Development Department for the City of Las Vegas oversees the hiring process. The hiring plan is negotiated at the preconstruction phase.

The City's plan has a required threshold of a 30 percent preference for hiring bona fide residents and a 15 percent preference hiring goal for members of racial minorities, women, disabled or veterans. Senate Bill 135, section 8, subsection 1, paragraph (a) puts them all together; paragraph (b) requires at least 15 percent of all employees of the contractor, subcontractor, vendors and suppliers are minorities and bona fide residents of the redevelopment area. It not only asks that the employees come from that area, it asks that people who can actually participate on the job come from that area.

Senator Hammond:

Is there a provision in case you cannot get up to the 15 percent?

Assemblywoman Neal:

No.

Senator Hammond:

Should there be a provision if the 15 percent cannot be met?

Assemblywoman Neal:

My understanding is the City of Las Vegas participates in a minority contracting program. There is a list of minority-owned companies that can be referred to before the hiring plan is established. If companies on the list fall out, the question is, did you do a best effort standard? I think it is in the bill.

Senator Hammond:

If the wording is in the bill, that solves that.

Senator Atkinson:

If it is not in the bill, we will find a way to address it.

Chair Parks:

In section 12, subsection 1, the length of time for the plan's termination is 60 years for counties whose population is 700,000 or more. Does that refer to financing?

Assemblywoman Neal:

Section 12 mirrors language in Assembly Bill (A.B.) 50.

ASSEMBLY BILL 50: Revises provisions relating to local government finance.
(BDR 22-253)

Senator Spearman:

To Senator Hammond's question whether the developer can get to the 15 percent mark—are there any provisions in the bill for training, union apprenticeship programs or something similar?

Senator Atkinson:

There are no provisions. The shortage is not likely to occur, but we could address the possibility.

Assemblywoman Neal:

We could add additional language with regard to training in section 9, subsection 1, paragraph (b).

Section 14 of my proposed amendment has had the language for loan or finance removed.

Section 15 has had some sections removed in my proposed amendment. The language was already codified, eliminating the need to move forward with it.

I would like to review how preferences work and how the City can codify its discretionary policy. If you are engaged in a discrete economic activity, such as construction, and the City is expending its own funds, it is acting as an actual market participant. Under caselaw, the City is allowed certain preferences because of that discrete economic activity is recycling the City's own dollars.

Chair Parks:

Reference is made to the Enterprise Community throughout the bill. Is it coterminous with a redevelopment map?

Assemblywoman Neal:

The [Exhibit E](#) map on page 3 labeled Redevelopment Area 2 most accurately depicts the Enterprise Community area. The Enterprise Community has its own map; I will get a copy for you.

Oscar Peralta (Nevada Hispanic Legislative Caucus):

The Nevada Hispanic Legislative Caucus strongly supports S.B. 135 per my written statement ([Exhibit F](#)).

Senator Goicoechea:

This is a tax increment district. Does this protect the school district, or would you be taking from the school district?

Assemblywoman Neal:

This is not a tax improvement district, it is in redevelopment. The City of Las Vegas does not have a tourism improvement district. Assembly Bill 50 is asking for a tourism improvement district.

Senator Goicoechea:

But it is a tax increment? Does that take away from the school districts?

Assemblywoman Neal:

No, because it is redevelopment dollars, all the dollars are recycled. Whenever there is a project, it is bonded out and the interest earned is recycled toward the next project. It comes from the property tax base, but it will not affect the school district dollars at all.

Senator Goicoechea:

That is my concern; it is coming from the tax base. Does it pick up the Local School Support Tax?

Assemblywoman Neal:

It does not affect it at all. In 2011, the City of Las Vegas took 9 percent of its redevelopment dollars to make capital improvements in schools surrounding the redevelopment area. That use of the money was not already designated.

Senator Goicoechea:

I read the option to make school improvements in the bill. I want to be sure that it was not coming from the schools.

Assemblywoman Neal:

That is being removed from the language because it passed into law in 2011. It was 9 percent for affordable housing and 9 percent for capital improvements on schools using redevelopment dollars.

Jack Mallory (Southern Nevada Building and Construction Trades Council):

We fully support S.B. 135, including the proposed amendment by Assemblywoman Neal. We have been involved with projects in the City of Las Vegas where the disadvantaged hiring provisions in the labor agreement were based on City Council wards. We believe S.B. 135 offers a better application.

Patrick T. Sanderson (Laborers International Union Local 872, AFL-CIO):

We support S.B. 135, especially in the minority areas.

Frank Hawkins (President, National Association for the Advancement of Colored People, Las Vegas Branch 111):

I am in support and I am neutral. We have proposed an amendment ([Exhibit G](#)). I would like to walk through some of the challenges.

The number one problem in the redevelopment language is the inherent conflict that residents who live in the redevelopment area have the right to get the job first; that has not occurred. The language is used in the *Nevada Revised Statutes* (NRS) 279, S.B. 135 and A.B. 50, and any other document pertaining to redevelopment.

We support everybody in the redevelopment area being able to work. About 12 years ago, residents living in the redevelopment areas were ensured they would get jobs first. This has proved to be challenging. When a developer hires a general contractor, that developer signs signatory to the union. If I am a nonunion skilled laborer, I am excluded from being hired. That was not the intent of the language. I spoke with the sponsors, and they say it was not the intent.

This same issue was raised last year. It is an issue raised today on S.B. 135. It is an issue that we are going to raise with A.B. 50. We need clarification to eliminate inherent conflict. We want to support union and nonunion, we do not want to support one over the other, so this language needs to be clarified.

Let us look at the Legislative Counsel's Digest of S.B. 135. On page 2, regarding sections 2 through 10, line 10 exempts private developers from this law. We do not want any developer to be exempt.

There were some questions about best efforts. On page 2, regarding section 9, lines 23 and 24, if the City gives the developer less than \$100,000 in incentives, the developer has to apply his best efforts. I worked for the City in the 1980s and was a City Councilman in the 1990s, fighting to ensure redevelopment is strong and continues to develop in the communities to cure blight. It is important that everybody has the opportunity to work.

Page 2, regarding section 13, the bill gives preference, and I quote: "requires the employment plan to include information about the preference for hiring persons living within the redevelopment area used by the developer." No one has a problem paying the prevailing wage, but both union and nonunion should be able to work side by side. I will keep mentioning that; otherwise, we are going to continue to have these challenges due to the exclusion of certain people. I agree with what Governor Brian Sandoval said last year about S.B. No. 360 of the 76th Session, because in certain instances it should apply to the redevelopment as a whole, not only specific sections. If we have redevelopment regardless of the City, we have blight—and we have folks who do not have jobs and their living environment is not what we would prefer it to be. Those folks should have the opportunity to work union or nonunion.

On page 2, regarding section 12, line 41, 60 years is too long. Just as with A.B. 50, our concern is that the City continues to be allowed to expand, and there is no requirement for further redevelopment in east and west Las Vegas.

On page 2, in section 14, line 43, we have concerns about the loan. The City has regulated or set a cap for up to \$50,000 that is matching for a certain section of small businesses. The National Association for the Advancement of Colored People's (NAACP) concern is that a developer can build a \$100 million project, get a loan for \$60 million, get \$10 million from the City and redevelopment and then get a loan. It is 100 percent financing for the developer, and he or she has no skin in the game. I understand that that might not be the case. We will look for that amendment on the Assembly side.

On page 5, in the bill, section 11, when referring to NRS 279, "unless" is used in a few instances; the wording should be "until completion."

On page 3, in the bill, section 7, subsection 2, line 31, "not required" should read "required." Also on page 3, lines 40 and 41 read "bona fide residents of the redevelopment area." Assemblywoman Neal indicated that licenses are required from the folks who work in the redevelopment areas. To my knowledge, it is not done in that manner. I ask for clarification.

The Southern Nevada Enterprise Community encompasses the poorest census tracts of all of the redevelopment area. East Las Vegas is affected from downtown to Lamb and from Charleston as far north as Lake Mead. West Las Vegas is affected downtown as far as Rancho or Decatur and as far north as Carey, which turns into Smoke Ranch Road, then abuts North Las Vegas.

On page 6, lines 20 through 35, Assemblywoman Neal indicated those areas of language may be deleted. I will refer you back to NRS 279. The original intent of the language is to ensure that everybody works. We would like to see the City's employment blend policy included in the language of S.B. 135 and A.B. 50, ensuring that policies do not change as redevelopment directors or elected people and/or city managers change.

On page 8, lines 12 through 24, we need to ensure that language keeps the school district from moving funds committed to the schools in east Las Vegas or west Las Vegas.

Jo Cato:

I am requesting that section 8 includes language to address the potential deficit of bona fide residents. I am a North Las Vegas business owner, resident and a member of the NAACP. I have worked on several projects in which the 15 percent bona fide resident provision could not be met, and in all cases there was no provision in place for the deficit.

Leonard Hamilton (Nevada Minority Business Center, Minority Business Development Agency, U.S. Department of Commerce):

We support S.B. 135, with Mr. Hawkins' proposed amendments.

Stanley Washington (Black Business Council of Nevada; National Association for the Advancement of Colored People):

I support the bill and the proposed amendment by Mr. Hawkins. The initial redevelopment laws had good language, but ground was lost when it came down to the practicality of implementation. The proposed amendment by Mr. Hawkins will help close those gaps. We will continue to come here to close those gaps to make sure equity actually comes.

Tommie Townsend:

I am a general contractor in Las Vegas. I am not opposing the bill, but I do have concerns similar to those of Mr. Hawkins. Equal opportunity is not what minority contractors are looking for. We are looking for access. The Committee should try to address access for minority contractors.

I do not know where the City gets its numbers as to how many people are applying for jobs in the redevelopment area. I watched a project on Martin Luther King Boulevard, and I did not see any African Americans working. There was a health clinic project; I did not see any minority contractors or subcontractors. When the new fire department was built next to the Federal Bureau of Investigation building, I did not see any African Americans working.

I have kept records of when I contacted the City concerning construction work on the recent construction of Dollar General. The City sent me from one person to the next; I eventually got in contact with a representative of Dollar General. Due to my lack of access, the company had already committed to two contractors. We had a confrontation about whether he attempted to contact me or not; he was unprofessional and rude. The City should have a higher standard when dealing with people in the enterprise zone.

I would hope the Committee would try to rework this so minority contractors have access. Opportunity is one thing and access is another. I have all the opportunity in the world, but if I do not have access, I am not aware of what is going on. If the City does not have a list of bona fide individuals, the minorities should contact the NAACP or the Congressional Black Caucus Foundation, Inc., for a list so contractors cannot say that they could not find anybody, which has always been the case.

Carole Vilardo (Nevada Taxpayers Association):

I oppose the 60-year length of time because it is a serious policy issue. I have no position on the rest of the bill.

Redevelopment exists for a blighted area to serve a very specific purpose. If the redevelopment plan is successful, that increment of tax continues to increase, and there is no need for a longer length of time. The 60-year length of time would be used due to an inadequate cash flow—you are trying to get additional time for bonding because an area has not been completed in a specific time frame. That is a major policy issue.

Nevada normally had a 30-year cycle. Around 1997, the State went to a 45-year cycle for Clark County and the City of Sparks. The change had to do with the low-income housing provision that is in this bill, where the 15 percent and the 18 percent are addressed. Approximately 10 years later, the City of North Las Vegas presented a bill to expand all redevelopment areas to 45 years. It is a very serious thing you are looking at. If S.B. 135 or A.B. 50 are processed with 60 years, you will find that within two to three Legislative Sessions, other entities will want the 60 years.

We have three different tax increment statutes: redevelopment, tax improvement district and infrastructure district. The tax improvement district is the one that uses Local School Support Tax. It is the only district we have that uses a sales tax increment. Redevelopment uses the property tax increment; it does not get any Local School Support Tax, which is the sales tax component. Schools and the revenue for schools is 75 cents for operating costs. Any debt approved prior to 1994 that might still be on the books is captured by the increment. It is not excluded in redevelopment language.

Senator Goicoechea wants to verify that money will not come from the school districts. The local portion of the Local School Support Tax has been excluded in

the tax improvement districts in NRS 374. The property tax increment has not been excluded from redevelopment districts.

Lengthening the time to 60 years is a disservice to every governmental unit that will lose the increment. Few redevelopment areas in the United States go beyond 25 to 30 years. Do not change the length of time in section 12. Delete section 12.

Ted Olivas (City of Las Vegas):

Mr. Atkinson made mention of S.B. No. 360 of the 76th Session that was vetoed by the Governor. There is a lot of activity within our community, and S.B. 135 reflects a lot of things that we are trying to do to engage the community in our redevelopment efforts. I have discussed both S.B. 135 and A.B. 50 with Assemblywoman Neal, but have not yet had the opportunity to fully review and discuss the proposed amendments.

We have worked closely with Ms. Vilardo on both S.B. 135 and A.B. 50. The 60-year length of time is an extension. We have heard a lot about economic development and jobs during this Session. If we do not get this extension, we will not have economic development or jobs. We have synergy occurring in downtown Las Vegas that can be attributed to the Las Vegas Redevelopment Agency. There are 18 years left to the life of the Agency. A 15-year extension will allow us to refinance the debt. We are solvent and are not in a bad fiscal situation, but this bill will free up additional funds for additional projects for small businesses that you have been seeing and reading about in downtown over the last couple of years.

I will clarify the reference to NRS 279.438 in section 12. Subsection 1 refers to the City of Las Vegas and subsection 2, the City of Sparks.

The intent of the language in section 14 was to create a revolving loan fund. Right now, the law does not say that we have the ability to loan money to small businesses. We have two programs: a visual improvement program and a quick start program. The visual improvement program is for small businesses opening downtown and needing financial assistance with improving the façade of a business—things like that. We only have the ability to grant them the money. We would like the ability to give them a low-interest or no-interest loan. Some provisions in A.B. 50 and another bill in the Assembly address the material in section 14, therefore it would be amended out.

Section 15 relates to the City of Las Vegas only. It does not relate to any other jurisdiction in this State or any other redevelopment agency in this State. Section 15 says that 18 percent of every dollar the City of Las Vegas earns, a portion goes to affordable housing, which was in the original legislation at 18 percent. Last Session, there was a bill by Senator Hardy to break that up into two pieces, 9 percent for affordable housing and 9 percent for education. We have been working closely with the Clark County School District on a memorandum of understanding to use those funds to improve the schools in and around the redevelopment area. The schools in that area are the worst of the worst. They are bringing down the State's average, and we need to do something. In A.B. 50, for the 15-year extension period, we have an amendment that says 18 percent is going to the Clark County School District. We have reviewed it with the District. The District has testified in support of it. That is why this section in S.B. 135 would be deleted.

Chair Parks:

What is the population of the City of Las Vegas?

Mr. Olivas:

I will get you an exact number based on the current census.

Nicole Rourke (Clark County School District):

We were originally going to express our concerns over section 15 and the further split of the incremental set-aside due to the fact that we do have our property tax revenue diverted by the Redevelopment Agency.

Section 15 would be amended out, but the 9 percent in statute that remains in this bill does not make us whole. We project the extension of the Redevelopment Agency will divert approximately \$100 million in the 15 years after the current expiration. We have been working with the City to look at the 18 percent increment, which gets us close to being whole.

Mr. Olivas:

Senator Jones was good enough to give me the population of the City of Las Vegas: 589,317.

Chair Parks:

Mr. Guinan can confirm that; it is the number he gave me as well.

Jonathan P. Leleu (International Market Centers):

I support the bill with the section 15 amendment as proposed by Assemblywoman Neal.

Chair Parks:

We will work on the amendment of the bill. We will close the hearing on S.B. 135. We will open the hearing for Senate Bill 159.

SENATE BILL 159: Revises provisions relating to the regulation of planning and zoning by local governments. (BDR 22-552)

Senator Justin C. Jones (Senatorial District No. 9):

I am joined by Assemblyman James Oscarson. I submitted my testimony on Senate Bill 159 ([Exhibit H](#)). There is a swap-out amendment ([Exhibit I](#)) that substantially changes the original intent of this bill.

Assemblyman James Oscarson (Assembly District No. 36):

I concur with Senator Jones. The intent of this bill was to work out something that would be amenable to everybody. The intent of the legislation is to make sure that we can work together with developers and please the folks who live in the Blue Diamond and the Red Rock areas. The residents of these areas want to protect their lifestyles. I was told that throughout my campaign in that area. I would appreciate your consideration and speedy passage.

Senator Spearman:

You indicated that U.S. Department of the Interior Secretary Ken Salazar's departure is imminent. Do you have a window?

Senator Jones:

I do not have a window, but I suspect in the next few weeks.

Senator Hammond:

I would like to verify that the proposed conceptual amendment for S.B. 159 will replace the entire bill.

Senator Jones:

Correct.

Senator Goicoechea:

Are there any parameters on the land exchange?

Senator Jones:

I assume that it will stay in Clark County. The process is up to the Bureau of Land Management (BLM).

Senator Goicoechea:

It would not be up to the BLM. It would be determined by the owner of the gypsum mine because he owns the property and makes sure you are offering him something that would be valuable to make the exchange.

Senator Jones:

The developer would have to assent to the swap.

Senator Goicoechea:

You do not know where that land is?

Senator Jones:

I do not know. The developer may be in the Las Vegas audience.

Senator Manendo:

This is a very sensitive issue to the people in southern Nevada, specifically the residents of Red Rock.

Kyle Davis (Nevada Conservation League):

We support S.B. 159. Red Rock Canyon is one the most beautiful places in our State. It is very important to our community to ensure that we protect it and continue to do everything we can to preserve the area as intended when it was designated a National Conservation Area. We need to preserve what it is about Red Rock that draws visitors and residents to our State. I urge the passing of S.B. 159.

Matthew Tuma (Nevada State Director, The Nature Conservancy):

We are in support of the amendment to S.B. 159. The Nature Conservancy has a long history of working for the protection of the Red Rock Canyon National Conservation Area and working with developers to ensure a proper buffer zone exists for the Conservation Area as well as allowing for adequate development

in the valley. Blue Diamond Hill is an area of particular passion for The Nature Conservancy.

We have performed scientific research and have categorized some of the species in the area: the blue diamond cholla cactus is a sensitive species that only occurs there; the biological diversity in that area is unique; the concentration of the cactus and succulent community on that hill is one of the most concentrated areas of cactus diversity in the entire Mojave Desert. The biological diversity of the area needs permanent conservation and protection.

Chair Parks:

Presuming no tract housing of any sort, what efforts might be taken to restore Blue Diamond Hill to its once pristine natural state?

Mr. Tuma:

I do not have an answer as to specific reclamation that would be needed for the existing mining operations there. Certainly some type of reclamation would have to occur.

Alex Ortiz (Clark County):

We support S.B. 159 in its amended form. The bill is similar to a resolution passed by the Board of Clark County Commissioners last year.

Lisa Mayo-DeRiso:

I am in favor of S.B. 159. I was in support of S.B. No. 358 of the 72nd Session. I have been a citizen activist protecting the Red Rock Canyon National Conservation Area for the last 10 years. It is important to note that while Red Rock is a very special place for those us who live in the State of Nevada, it is also nationally recognized and brings many tourists.

I am in support of the new language in S.B. 159 but would like to add three things. The process that takes place needs to be open, public and transparent. The valuation of the land owned by Gypsum Resources should be open and involve the public. The land should be exchanged at fair market value. The exchange location should have very low or very limited environmental impact. I do not want to see us exchange something where we end up having another 10-year battle over the protection of an area. The community and elected officials need to work with the BLM and urge the agency to make this

exchange happen. This exchange will benefit our community and the quality of life that we enjoy.

Tom Warden (The Howard Hughes Corporation; The Nature Conservancy):

I am expressing support for the amended version of S.B. 159. We have a collaborative history with The Nature Conservancy on the side of the Howard Hughes Corporation because we are developing Summerlin, which borders the Red Rock Canyon National Conservation Area. In 1988, when Summerlin planning began, we noticed that approximately 5,000 acres went into the Red Rock Canyon. The planners saw that it would be inappropriate to develop inside Red Rock Canyon and would have a negative impact on the experience of the scenic road. The Nature Conservancy brokered the land exchange in which we locked off that 5,000 acres, creating the buffer zone and a gateway into Red Rock. There is a long history of conservation and preservation of Red Rock Canyon under the belt of The Nature Conservancy. The Howard Hughes Corporation also feels a strong stewardship for Red Rock Canyon. From both of the viewpoints, I want to express support for S.B. 159.

Barbara Luke:

I support S.B. 159 as amended to let the BLM know that Clark County and the State of Nevada support permanent protection for the land near Red Rock.

I am a long-time resident of Blue Diamond and past chair of the Red Rock Citizens Advisory Council. I also support a group called Save Red Rock which values preserving the Conservation Area in many ways, for example, keeping heavy traffic off the portion of State Route 159 that goes through the Conservation Area. The key leaders of the group live in Blue Diamond, but the support for Save Red Rock is widespread. I am happy to see many people representing other groups are speaking in favor of this bill. Blue Diamond is a tiny community of 100 homes; we are directly affected by this. The Conservation Area needs a buffer around it, not heavy development with the attendant encroachment—intended and unintended. We have been fighting with developers for over a decade. It is time for a permanent solution.

Regarding a land swap: both Save Red Rock and the Red Rock Citizens Advisory Council have told BLM that they favor this land swap.

Ron Krater (Gypsum Resources, LLC):

I represent Gypsum Resources, LLC, which is owner and operator of Blue Diamond Hill. We are in support of the proposed amendment to S.B. 159. It is fair and offers a viable alternative to previously proposed plans. Gypsum Resources, LLC, is committed to continued dialogue with the BLM, the community and other stakeholders. We understand the process of evaluating a possible land exchange is inherently complex. We understand the process is going to require significant resources to which we are committed.

Chair Parks:

Will this remain a bill in resolution format?

Senator Jones:

It will remain in a bill format. The Governor will have to pass it.

Chair Parks:

Lisa Mayo-DeRiso brought forward an issue that the process be open, transparent, deal with fair market value and exchange for some other property. Is that all within the realm of the BLM and owners of the gypsum mine properties?

Senator Jones:

The process is set out in statutes and regulations for the BLM. I will note that the last whereas statement of my proposed amendment asks that the exchange be for federal lands of equal value, located away from Red Rock.

Senator Goicoechea:

Will a lands bill be required to make this exchange?

Senator Jones:

It will not. The land swap statutes allow for it as present.

Senator Goicoechea:

I realize there is a statute for the exchange. If it is outside the disposal area or inventoried for disposal, it will require some type of congressional action.

Senator Jones:

I understand.

Chair Parks:

Senator Goicoechea is correct that it might take an act of Congress to effect some of these transfers.

Senator Jones:

Today you have seen environmentalists, developers and government agencies come together in agreement for permanent protection for Red Rock. I urge the Committee for quick passage of this bill.

Senator Goicoechea:

Would the sponsor entertain amending my name to the bill?

Senator Jones:

Absolutely.

Chair Parks:

Any questions on the motion?

Senator Spearman:

We might have been too late had we taken this up next Session because of the imminent departure of Secretary Salazar.

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 159.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Chair Parks:

We have four bills for consideration in work session.

SENATE BILL 56: Revises provisions governing state financial administration.
(BDR 18-378)

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Patrick Guinan (Policy Analyst):

Senate Bill 56 is a Committee bill on behalf of the State Controller ([Exhibit J](#)). The Committee first heard the bill on February 25. No amendments have been proposed.

Chair Parks:

The bill is a cleanup bill dealing with conformance to generally accepted accounting principles.

SENATOR SPEARMAN MOVED TO DO PASS S.B. 56.

SENATOR HAMMOND SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Chair Parks:

The next bill is S.B. 66.

SENATE BILL 66: Revises provisions governing the powers and duties of counties. (BDR 20-225)

Patrick Guinan (Policy Analyst):

Senate Bill 66 is a Committee bill requested on behalf of Esmeralda County ([Exhibit K](#)). The Committee heard the bill on February 27. Two amendments have been proposed; one, the mock-up of proposed Amendment 7772, was brought by Senator Goicoechea.

Senator Goicoechea:

This bill will require the work be done by ordinance, which is a full public process, and work and equipment costs have to be reimbursed.

Chair Parks:

How does your proposed amendment and Commissioner Nancy Boland's proposed amendment affect the original bill?

Senator Goicoechea:

It was my understanding that Commissioner Boland's bill refers to nongovernmental entities such as an emergency measure on a private road or private facilities. There is not a conflict because my proposed amendment is only referring to governmental entities.

Chair Parks:

Commissioner Boland's proposed amendment is agreeable to me.

Senator Hammond:

I do not have a concern with the amendments.

Chair Parks:

When we get the amended bill out, if we have any concerns, we can put it on the Secretary's desk for review and revision.

Senator Goicoechea:

I assured Commissioner Boland that my amendment would not jeopardize her bill in any way.

SENATOR HAMMOND MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 66.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Chair Parks:

The next bill on work session is S.B. 68.

SENATE BILL 68: Provides for the creation of underground utilities districts.
(BDR 20-497)

Patrick Guinan (Policy Analyst):

This bill is sponsored by Senator Tick Segerblom ([Exhibit L](#)). This Committee first heard the bill on February 20. Four amendments have been received.

Senator Goicoechea:

This has been extended to all counties, but the bill language still addresses a county with a population of 700,000 or more.

Heidi Chlarson (Counsel):

As the bill is currently drafted, the creation of the utility district is required in a county with a population of 700,000 or more and is optional in all the other counties. If the Committee adopts the proposed amendment, it would make the creation optional in all counties. When we draft the amendment, we can clean up the language to make it optional in all counties.

Senator Goicoechea:

Is it an option even in Clark County?

We are creating a utility district in a county. Is the ad valorem tax only from that district or does it extend countywide?

Senator Tick Segerblom (Senatorial District No. 3):

My intent was that it would be a countywide district, and the whole county would pay for it. The intent was to cover the cities and counties, not just the unincorporated areas.

Senator Goicoechea:

A ballot question would have to be presented countywide.

Senator Segerblom:

The district and the county would be the same.

Chair Parks:

Boundaries are coterminous.

Ms. Chlarson:

The way the bill is drafted, it allows the board of county commissioners that create the underground utility district to establish the boundaries. The way it is introduced, section 6 prohibits the boundaries of an incorporated city from being included within the underground utility district. If the intent is to have incorporated cities included, an amendment would be required.

Senator Segerblom:

That was my intent.

Senator Spearman:

On page 3, section 7, the budget of an underground utility district must comply with the provisions of NRS 354.470 to NRS 354.626, inclusive, but need not be separately prepared and may be included within the county budget. The underground utilities district is not entitled to any share of revenue from the Supplemental City-County Relief Tax.

Senator Segerblom:

The intent was to have a separate funding mechanism that voters would have to approve.

Senator Spearman:

Would an amendment clarify it?

Senator Segerblom:

I do propose a separate amendment requiring the redevelopment project include underground utilities within that area. Separate funding for that would not be the countywide tax; it would be the redevelopment tax.

Senator Goicoechea:

A redevelopment district would take away the option; it would no longer be a county option.

Senator Segerblom:

Correct.

Senator Hammond:

Your intent is to have everybody involved in this agency. Have you discussed it with the City?

Senator Segerblom:

I thought it was involved.

Senator Hammond:

Mr. Guinan, did the City of Las Vegas testify on the first hearing?

Mr. Guinan:
No.

Senator Segerblom:
I have not specifically talked to the City.

Senator Goicoechea:
Washoe County has some redevelopment districts. Does that take Washoe's option away?

Senator Segerblom:
It would take Washoe's option away. My intent was Clark County.

Misty Grimmer (City of Las Vegas):
Senator Hammond is correct. This was not on the City's radar before because as the bill was originally written, it only applied to the unincorporated portions of Clark County. Now that the sponsor's intention is to apply it to the City and with respect to redevelopment districts—and the lack of the flexibility of the redevelopment districts—we respectfully request additional time to work on the bill with Senator Segerblom.

Chair Parks:
Let us get a mock-up of the bill, and we will give it a follow-up review. Senate Bill 68 is on hold, pending mock-ups of all amendments.

We will go to work session on S.B. 144.

SENATE BILL 144: Revises provisions governing the investigation of peace officers. (BDR 23-100)

Patrick Guinan (Policy Analyst):
This bill is sponsored by Senator Segerblom ([Exhibit M](#)). The Committee heard the bill on March 6. There is one amendment, addressing concerns with regard to what an officer would have access to prior to a hearing. There is an explanatory letter and mock-up included with [Exhibit M](#). Section 2, lines 14, 15, 16, 25, 26 and 27, on page 4 of the bill, all have the word "may." We have confirmed that "may" is not permissive and is appropriate for the bill.

Senator Goicoechea:

Do recorded interviews become audio?

Senator Tick Segerblom (Senatorial District No. 3):

The intent is to use audio for evidence, not the witness.

Senator Goicoechea:

The first thing that comes to mind is the car cam. I am concerned as to the clarity of the bill, referring to any audio. A victim's statement is recorded, and it would have to be submitted. I know that is not your intent.

Senator Segerblom:

We could qualify it.

Kirk Hooten (Las Vegas Police Protective Association):

Your observation is correct, Senator Goicoechea. It could be perceived as a witness or victim statement that could be provided. The complaint against an officer often has an audio of a dispatch call, an overhear or some other type of recording in a hotel room. We will address that.

Senator Goicoechea:

I want to be clear as to the intent of the bill.

Senator Segerblom:

Is there a way to differentiate between the incident and something done after this incident?

Ms. Chlarson:

This is a policy decision. I did not prepare the mock-up. I will need clarification as far as what types of audio and video recordings would be included.

Senator Manendo:

Has the amendment been shared with everybody?

Mr. Hooten:

I have shared it with all the members of the respective associations. It has not been shared with everybody in the opposition.

Senator Segerblom:

Did you share it with the Nevada Sheriffs' and Chiefs' Association?

Mr. Hooten:

No.

Senator Manendo:

I want to be sure that everyone knows where we are with this.

Chair Parks:

I have noticed that it was the various police protective associations.

Senator Manendo:

When our legal counsel said she did not draft it, I thought perhaps it has not been out there.

Chuck Callaway (Las Vegas Metropolitan Police Department):

We did not see the amendment prior to today's work session. We were not part of drafting it. I share the same concern that Senator Goicoechea raised. We continue to have the same concerns as stated during the hearing.

Senator Spearman:

Senator Segerblom, would you be willing to work with the Las Vegas Metropolitan Police Department to resolve any concerns?

Senator Segerblom:

I can meet with him to clarify what we agree and disagree on.

Senator Spearman:

I want to make sure we have all the bases covered.

Chair Parks:

We will add this bill and amendment to a work session. I would like to volunteer Senator Spearman to assist with getting everybody together to discuss it.

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Chair Parks:

We will close the work session on S.B. 144. Our meeting is adjourned at 4:11 p.m.

RESPECTFULLY SUBMITTED:

Gwen Barrett,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____

<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	7		Attendance Roster
S.B. 250	C	1	Jason Geddes	Letter of Support
S.B. 135	D	4	Senator Kelvin D. Atkinson	Written Testimony
S.B. 135	E	5	Assemblywoman Dina Neal	Proposed Amendments
S.B. 135	F	1	Oscar Peralta	Written Testimony
S.B. 135	G	10	Frank Hawkins	Proposed Amendment
S.B. 159	H	3	Senator Justin C. Jones	Opening Remarks
S.B. 159	I	1	Senator Justin C. Jones	Proposed Conceptual Amendment
S.B. 56	J	1	Patrick Guinan	Work Session Document
S.B. 66	K	16	Patrick Guinan	Work Session Document
S.B. 68	L	4	Patrick Guinan	Work Session Document
S.B. 144	M	7	Patrick Guinan	Work Session Document