

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON NATURAL RESOURCES, AGRICULTURE,
AND MINING**

**Seventy-Eighth Session
April 2, 2015**

The Committee on Natural Resources, Agriculture, and Mining was called to order by Chair Robin L. Titus at 1:34 p.m. on Thursday, April 2, 2015, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website: www.leg.state.nv.us/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Robin L. Titus, Chair
Assemblyman Jim Wheeler, Vice Chair
Assemblywoman Maggie Carlton
Assemblyman Richard Carrillo
Assemblywoman Victoria A. Dooling
Assemblyman Chris Edwards
Assemblyman John Ellison
Assemblyman David M. Gardner
Assemblyman Ira Hansen
Assemblyman James Oscarson
Assemblywoman Heidi Swank

COMMITTEE MEMBERS ABSENT:

Assemblyman Nelson Araujo (excused)

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Susan E. Scholley, Committee Policy Analyst
Jim Penrose, Committee Counsel
Donna J. Ruiz, Committee Secretary
Cheryl L. Williams, Committee Assistant

OTHERS PRESENT:

None

Chair Titus:

[Roll was taken. Committee policies and procedures were explained.] I am going to open the work session for Assembly Bill 194.

**Assembly Bill 194: Revises provisions governing historic preservation.
(BDR 33-246)**

Susan Scholley, Committee Policy Analyst:

Assembly Bill 194 revises provisions governing historic preservation. It was sponsored by Assemblywoman Swank and others and was heard in this Committee on March 24, 2015.

Assembly Bill 194 would clarify the definition of "historic" as the period between 1750 and 50 years before the current year. In other words, 1965. The work session document ([Exhibit C](#)) is located on the Nevada Electronic Legislative Information System (NELIS). I would be happy to answer any questions.

Chair Titus:

There are no amendments to this bill. I will entertain a motion.

ASSEMBLYWOMAN CARLTON MOVED TO DO PASS
ASSEMBLY BILL 194.

ASSEMBLYMAN GARDNER SECONDED THE MOTION.

Chair Titus:

Is there any discussion?

Assemblyman Wheeler:

I am still not comfortable with the bill and will be voting no. I believe it is a camel's nose under the tent sort of thing for people to use in a legal court battle to hold a building from redevelopment.

Assemblyman Ellison:

I also still have some concerns. I will vote to get the bill out of Committee, but I will reserve my right to change my vote on the floor.

Assemblyman Carrillo:

I do have some concerns with this, and I have not had a chance to talk to the bill sponsor to address those concerns. I will be voting no.

Assemblyman Gardner:

I will be voting yes, but I also have some concerns.

Chair Titus:

A vote out of the Committee does not mean that is how you have to vote on the floor.

Assemblyman Oscarson:

I am going to vote to get this out of Committee, but will reserve my right to change my vote on the floor.

Assemblywoman Dooling:

I will also vote to get it out of Committee, but I reserve my right to change my vote on the floor.

Chair Titus:

I am going to call for the vote.

THE MOTION PASSED. (ASSEMBLYMEN CARRILLO AND
WHEELER VOTED NO. ASSEMBLYMEN ARAUJO AND HANSEN
WERE ABSENT FOR THE VOTE.)

I will assign the floor statement to Assemblywoman Swank. I will close the work session on A.B. 194 and open the work session on Assembly Bill 377.

Assembly Bill 377: Establishes provisions for the preservation, development and use of the Nevada State Prison as a historical, educational and scientific resource. (BDR 26-625)

Susan Scholley, Committee Policy Analyst:

Assembly Bill 377 establishes provisions for preservation, development, and use of the Nevada State Prison. This was sponsored by Assemblyman O'Neill and others and heard in this Committee on March 24, 2015.

Assembly Bill 377 would implement the recommendation pursuant to Assembly Bill No. 356 of the 77th Session on the preservation of the Nevada State Prison (NSP) for historical, educational, and cultural purposes. Upon notice from the Department of Corrections that operational activities of NSP have ceased, the State Land Registrar in consultation with other entities is required to assign certain types of structures to either the Division of Museums and History or to the Silver State Industries Division within the Department of Corrections. The bill also creates two funds and sets forth their allowable uses and responsibility for administration. Those funds are the Endowment Fund for the Historic Preservation of the Nevada State Prison and the Silver State Industries Endowment Fund. The bill also requires a portion of the funds within the Silver State Industries Endowment Fund to be transferred to the Endowment Fund for the Historic Preservation of NSP at the end of the fiscal year. Amendments were submitted by the bill's sponsor at the hearing, and at the direction of the Committee, the affected entities were asked to continue working on further amendments to address concerns raised at the hearing.

A mock-up has been prepared by Committee Counsel based on the hearing discussions and is attached to the work session document ([Exhibit D](#)). I believe Mr. Penrose is prepared to walk you through the proposed amendments.

Jim Penrose, Committee Counsel:

The mock-up that you have as part of the work session document ([Exhibit D](#)) is somewhat complicated, so I am going to take some time to walk you through it. I will say at the outset, the language that you see has been signed off on by all of the folks who were involved in the discussions. We should be good as far as that is concerned.

Beginning with section 2 of the mock-up, once the Department of Corrections has ended its correctional operations at the Nevada State Prison and notifies the State Land Registrar of that fact, under the bill, the registrar is required to consult with the Department of Corrections, the Department of Tourism and Cultural Affairs, the State Department of Conservation and Natural Resources, and the Nevada State Prison Preservation Society, which is a nonprofit corporation that has been created. At that time, a determination will be made as to which of these structures, buildings, and other property of the prison are appropriate for continued administration by the Department of Corrections and which are appropriate for management as part of a cultural and historical destination. In accordance with that determination, the State Land Registrar is required to assign certain structures, buildings, and other property to the Silver State Industries Division of the Department of Corrections. As a shorthand expression, I will refer to those as the modern structures, buildings, and other property. The remaining historic structures, buildings, and other property are to be assigned to either one of the agencies that I have previously mentioned or any other appropriate state agency.

Section 3 of the bill as amended created the Endowment Fund for the Historic Preservation of the Nevada State Prison as a trust fund in the State Treasury. Generally, the money to be deposited into that fund, which I will call the historic fund, is money that is either received from commercial and tourist enterprises relating to the historic structures, buildings, and other property of the prison, or is money swept into the historic fund at the end of each fiscal year from the Silver State Industries Fund. Finally, that fund may also receive gifts, grants, and donations. The historic fund is to be administered by the agency to which the historic structures, buildings, and other property of the prison have been assigned in consultation with the Nevada State Prison Preservation Society and the other agencies that I have alluded to.

The money in the historic fund is to be used only to operate, maintain, and preserve the historic structures, buildings, and other properties of the prison. The bill requires effectively that a minimum balance of \$100,000 be kept in the fund. Money in excess of that amount and any interest earned on the money in the fund may be used for the purposes of the fund. Not more than 10 percent of the interest earned on the money in the fund is to be used for administrative purposes. The mock-up does create one additional fund which I will now describe.

Existing law requires the Board of Museums and History to establish the Division of Museums and History Dedicated Trust Fund. The money in that existing trust fund is under the control of the Board of Museums and History and is expended at the discretion of the board. The board is required under

existing law to report to the Interim Finance Committee concerning the manner in which that money has been spent.

Section 3.5 of the mock-up requires the Board of Museums and History to establish a new trust fund which is generally administered in the same manner as the existing trust fund consisting of donations, sponsorships, gifts, and grants other than federal grants. That money is to be used by the board, again in consultation with the Preservation Society and the other agencies that I have mentioned, only for the study and development of the historic structures, buildings, and other properties of the prison.

Section 4 of the bill as amended creates the Silver State Industries Endowment Fund, which is to be administered by the Silver State Industries Division of the Department of Corrections. The money in the Silver State Industries Endowment Fund is that received from any commercial or correctional activities such as training or the prison industries program relating to the use of the structures, buildings, and other property which have been assigned to the Department of Corrections by the State Land Registrar. In addition, there may be money given, granted, or donated to that fund. At least \$100,000 must be maintained as the minimum balance in the Silver State Industries Endowment Fund. Money in excess of that amount, any interest, and up to 50 percent of the money received during a fiscal year from commercial and correctional activities may be spent to maintain the modern structures, buildings, and other property of the prison. At the end of each fiscal year, the treasurer is required to transfer half of whatever money has been received during that fiscal year from commercial and correctional activities and also what remains in the fund and transfer it to the historic fund, which I described previously, except the minimum fund balance of \$100,000 must be maintained.

Section 4.3 of the bill as amended would authorize the Department of Corrections and any other state agency that receives an assignment of the historic structures, buildings, and other property to enter into an agreement with the Nevada State Prison Preservation Society or any successor or similar nonprofit corporation, pursuant to which the corporation could conduct tourist activities relating to those structures, buildings, and property. Among other terms, such an agreement would require the corporation to pay the income from fees and donations related to its activities less any reasonable administrative expenses to the state treasurer for deposit into the historic fund. Certain other income derived by the corporation would belong to the corporation.

Section 4.5 of the bill as amended is transitory language which would require the Department of Corrections, as soon as practicable after July 1, to begin consultations with the various other agencies I have identified and with the

Nevada State Prison Preservation Society to plan for the conversion of the prison from what it is today to a cultural and historic designation. As soon as practicable after July 1, the Department of Corrections would also be authorized to enter into an agreement for the historical portions of the prison along the lines that I have described. I would be happy to answer any questions that you might have.

Chair Titus:

Are there any questions for Mr. Penrose? [There were none.] I will entertain a motion.

ASSEMBLYMAN WHEELER MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 377.

ASSEMBLYMAN ELLISON SECONDED THE MOTION.

Chair Titus:

Is there any discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN ARAUJO AND HANSEN
WERE ABSENT FOR THE VOTE.)

Chair Titus:

I will assign the floor statement to Assemblyman Edwards. I will close the hearing on Assembly Bill 377. I will now open the floor to public comment. [There was none.] The meeting is adjourned at [1:49 p.m.].

RESPECTFULLY SUBMITTED:

Donna J. Ruiz
Committee Secretary

APPROVED BY:

Assemblywoman Robin L. Titus, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Natural Resources, Agriculture, and Mining

Date: April 2, 2015

Time of Meeting: 1:34 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A. B. 194	C	Susan E. Scholley, Committee Policy Analyst	Work Session Document
A.B. 377	D	Susan E. Scholley, Committee Policy Analyst	Work Session Document and Amendment