

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

**Seventy-Eighth Session  
June 1, 2015**

The Senate Committee on Government Affairs was called to order by Chair Pete Goicoechea at 1:18 p.m. on Monday, June 1, 2015, in Room 2135 of the Legislative Building, Carson City, 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 Pete Goicoechea, Chair  
Senator Joe P. Hardy, Vice Chair  
Senator Mark A. Lipparelli  
Senator David R. Parks  
Senator Kelvin Atkinson

**GUEST LEGISLATORS PRESENT:**

Assemblyman Chris Edwards, Assembly District No. 19  
Assemblywoman Heidi Swank, Assembly District No. 16

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Policy Analyst  
Heidi Chlarson, Counsel  
Darlene Velicki, Committee Secretary

**OTHERS PRESENT:**

Javier Trujillo, City of Henderson  
Mike Cathcart, City of Henderson  
Brian McAnallen, City of Las Vegas  
Rocky Finseth, Henderson Chamber of Commerce

**Chair Goicoechea:**

We will open the hearing on Assembly Bill (A.B.) 241.

**ASSEMBLY BILL 241 (1st Reprint)**: Creates the Women Veterans Advisory Committee. (BDR 36-579).

**Assemblyman Chris Edwards (Assembly District No. 19):**

A couple of years ago, the Governor created the Women Veterans Advisory Council in order to identify women's issues regarding their service in active duty deployment. This bill puts that executive order into law because the executive order is going to expire this month. The intent is to represent female veterans in Nevada, identify where female veterans are because many do not identify themselves, identify issues important to female veterans and conduct outreach to them.

**Chair Goicoechea:**

Is there a fiscal note?

**Assemblyman Edwards:**

No.

**Chair Goicoechea:**

The hearing on A.B. 241 is closed and the hearing on A.B. 445 will begin.

**ASSEMBLY BILL 445 (2nd Reprint)**: Makes various changes relating to redevelopment. (BDR 22-1100).

**Javier Trujillo (City of Henderson):**

Assembly Bill 445 relates to redevelopment, specifically for the City of Henderson. We are seeking a 15-year extension to our redevelopment area, especially the downtown redevelopment area. The bill would also require that we submit 18 percent of the revenue from property taxes in the redevelopment area to the Clark County School District in order to keep the School District as whole as possible. The sections of the bill the City of Henderson supports are sections 1, 3 and 3.5. Section 2 relates specifically to the City of Las Vegas.

The language granting the 15-year extension is in section 3, subsections 2 and 3. It says the redevelopment plan adopted on or after January 1, 1991, may be extended from 30 years to 45 years upon adoption of an ordinance by the governing body. Section 1, subsection 1 requires a redevelopment agency that has adopted an extension pursuant to section 3 to set aside 18 percent of the tax increment revenue received from that specific redevelopment area. The

set-aside funds will be remitted to the Clark County School District for use in improving and preserving existing public education facilities within the redevelopment area or school facilities that serve the redevelopment project area from and after the effective date of the ordinance extending the term. For the redevelopment area in downtown Henderson, if this bill passes, the School District would receive approximately \$1 million each year in fiscal years 2017 through 2040.

Section 1, subsection 2 provides that funds collected by the redevelopment area would first go toward servicing all existing obligations. That ensures that all bondholders are protected. With passage, we could refinance the bonds in the downtown Henderson redevelopment area, resulting in savings of about \$4.6 million over the next 11 years. That money can be put back into the redevelopment area and be used to fill gaps in funding on certain projects.

Section 3.5 is a cleanup of legislation that passed during the last Legislative Session. Assembly Bill No. 417 from the 77th Session deals with the reset of a base year in a redevelopment area.

**Chair Goicoechea:**

Southern Nevada has more redevelopment districts than northern Nevada.

**Senator Hardy:**

Because I helped with the Three Kids Mine project for the Lakemoor Canyon Redevelopment Agency, I want to ensure that what was already in statute is not adversely affected by this redevelopment plan. Sections 1 and 3 of the bill exempt Henderson from this, so I am confident this bill would not impinge on what we need to do to remediate the Three Kids Mine area.

**Mr. Trujillo:**

Senate Bill 297 deals with the Three Kids Mine project in the Lakemoor Canyon Redevelopment Area.

[SENATE BILL 297 \(1st Reprint\)](#): Revises certain provisions relating to redevelopment. (BDR 22-1028).

That bill addresses the remediation and reclamation of the open mine pit. Assembly Bill 445 will not impact that bill.

**Senator Parks:**

You indicated that A.B. 445 would allow you to refinance existing bonds.

**Mr. Trujillo:**

That is correct. The bonds in place are up for the Henderson Redevelopment Area.

**Senator Parks:**

Can you not refinance them now?

**Mr. Trujillo:**

Being able to extend the term an additional 15 years would allow for that refinancing to take place. Without the extension, that could not occur.

**Mike Cathcart (City of Henderson):**

That is correct. The extension would add more years to the time frame in which we could refinance those bonds and lower payments to free up capital to use in the next 10 years.

**Senator Parks:**

Now you can refinance, but you would be refinancing for the same term, and this bill would allow you to extend that.

**Mr. Cathcart:**

That is correct.

**Brian McAnallen (City of Las Vegas):**

Section 2 of this bill is specific to the City of Las Vegas. This bill is based on A.B. No. 50 from the 77th Session, which was a cleanup bill. There were three requirements for our redevelopment plan originally adopted in 1986. One requirement was that the assessed value of each redevelopment project in a redevelopment area cannot be less than the assessed value of the redevelopment project in the year in which the redevelopment plan was adopted, which was 1986.

We have looked at about 169 projects in the redevelopment area. It is difficult to go back to the original parcels of 1986 because many of them have been subdivided on multiple occasions and sold so it is a difficult comparison to make. We estimate there were at least eight projects that did not meet that

requirement from A.B. No. 50 of the 77th Session. If even one project does not meet that requirement, we are unable to go forward with our plans for reworking the Las Vegas Redevelopment Agency and moving forward with investment in Redevelopment Area 1 (RDA1), which is in downtown Las Vegas.

If we are able to look at the redevelopment project or redevelopment area on aggregate and meet that requirement instead of each redevelopment project in an area, we will be able to move forward with investment and development. That will help us improve RDA1, some of which is extremely distressed and has been stagnant for some time. This bill modifies A.B. No. 50 from the 77th Session.

**Rocky Finseth (Henderson Chamber of Commerce):**  
We support this bill.

**Chair Goicoechea:**

The hearing on A.B. 445 is now closed, and the hearing on A.B. 410 will begin.

**ASSEMBLY BILL 410 (1st Reprint)**: Revises the membership of the Real Estate Commission. (BDR 54-741).

**Assemblywoman Heidi Swank (Assembly District No. 16):**

My concern, which led to the drafting of A.B. 410, was finding a way to adapt boards and commissions to keep them representative of the changing population in the State. We want to make the Real Estate Commission representative of the population. The Real Estate Commission is already apportioned by geography, so it was not adding another layer of requirements to find somebody to sit on these boards and commissions, which can be difficult.

Section 7, subsection 1 says there are five members on the Real Estate Commission. Three members are from Clark County, one is from Washoe County and one is from the rural counties. That apportionment creates better representation. Now the Real Estate Commission has two members from Clark County, meaning each of those members represents 950,000 citizens. There are two members from Washoe County, meaning each of those members represents only 266,000 people. The rural member now represents only 216,000 people. With the change, this bill provides for having three members from Clark County, each one representing 633,000 people; one member from

Washoe County each representing slightly over 500,000 people; and the rural member still representing 216,000 people.

Section 7, subsection 2 would make it so if there is not a qualified person to represent Clark County, that position on the Board would be given to the rural counties. If there is not a qualified person from the rural counties it would be given to Washoe County. If Washoe County cannot fill that position, it would sit vacant.

Section 7, subsection 4 creates flexibility. It states that during the regular Legislative Session after the U.S. Census is done, all the seats on the Board will be reconsidered in light of any population shifts that occurred in the last 10 years. This will prevent having to implement population caps and create better representation on the Board in the long term.

We do not want to create instability in these boards and commissions. We will not remove current Board members until their terms expire.

**Senator Lipparelli:**

Why is this bill necessary? Why do you want to take the flexibility away from the appointing authority to make a selection of whom he or she believes are the five best people to serve on the Real Estate Commission?

**Assemblywoman Swank:**

This bill does not take flexibility away. The Governor is already required to appoint two people from Clark County, two people from Washoe County and one person from the rural counties to the Real Estate Commission. This bill simply reapportions where those members come from. This bill will actually make it simpler because it will be easier to find three people in Clark County considering how large it is.

**Senator Lipparelli:**

Do you not believe this bill is more prescriptive?

**Assemblywoman Swank:**

It is less prescriptive.

**Senator Hardy:**

Why do you want to wait until terms run out to reapportion the seats?

**Assemblywoman Swank:**

We will consider reapportioning the seats midterm during next Session.

**Senator Hardy:**

If there is nobody available to fill a seat on the Commission at the deadline, then it would take another 2 years to reapportion that seat?

**Assemblywoman Swank:**

There is a process for appointing members, and it takes time.

**Senator Parks:**

What is the term of a commissioner?

**Assemblywoman Swank:**

I do not know.

**Mr. Finseth:**

Commissioners are appointed to 3-year terms.

**Chair Goicoechea:**

Ms. Chlarson, is that correct?

**Heidi Chlarson (Counsel):**

*Nevada Revised Statute* 645.060 states that members are eligible for reappointment but shall not serve for a period greater than 6 consecutive years, after which time they are not eligible for reappointment until 3 years have passed. The practice may be that members are being appointed for 3 years, but statute seems to allow them to be appointed for up to 6 years.

**Mr. Finseth:**

That is how I understand the law. There is a 3-year appointment, and once that ends, the members have to reapply for reappointment to the Commission. It is the Governor's prerogative whether to reappoint the member. If the member is reappointed, he or she has another 3-year term.

**Senator Hardy:**

Suppose there is a vacancy 2 months after a member is appointed, and the vacancy lasts for 2 years and 10 months before that person is appointed.

**Mr. Finseth:**

That is above my pay grade.

**Assemblywoman Swank:**

In section 7, subsection 3 says that if a member vacates his or her seat, the Governor must appoint a qualified person from the prescribed region. If nobody is willing to serve, then the Governor shall appoint a qualified person pursuant to paragraph (a), paragraph (b) or paragraph (c). It is possible to continue searching for a qualified person to appoint.

**Chair Goicoechea:**

It sounds to me like there would be an effort to fill the seats from each region, but if there was not a qualified candidate for a seat, somebody from another region would fill that seat through the term. After the term ended, a new person would be appointed from the appropriate region.

**Mr. Finseth:**

We support this bill.

**Senator Hardy:**

Mr. Finseth, what problems do you have with the bill?

**Mr. Finseth:**

The composition of the Commission now is two members from Clark County, two members from Washoe County and one member from the rural counties. Under this bill, once the term for the Washoe County seat expires, That seat would go to a person from Clark County. That is concerning for people in northern Nevada. Assemblywoman Swank committed to consider expanding the Commission from five members to seven members.

**Assemblywoman Swank:**

With this bill, I hope to move away from population caps and to create flexibility for boards and commissions to become and remain more representative.

**Chair Goicoechea:**

I will now close the hearing on A.B. 410 and begin the work session with A.B. 332.



**ASSEMBLY BILL 332 (2nd Reprint)**: Makes various changes concerning government purchasing and bidding. (BDR 28-256).

**Jennifer Ruedy (Policy Analyst):**

Details for this bill can be found in Proposed Amendment 7856 ([Exhibit C](#)).

**Senator Atkinson:**

Is Proposed Amendment 7856 the same as what we heard in the hearing on this bill?

**Chair Goicoechea:**

No. The proposed amendment we heard in the hearing yesterday only encompassed section 2.6 forward as shown on page 8 of [Exhibit C](#). The \$250,000 fine has been removed from what was discussed originally. We thought that was exorbitant. Another change is that if a public body self-performs, it does not need to send a list to the Department of Taxation. Before the changes, if a county wanted to buy a 5 gallon bucket of paint tax-exempt because the county was going to do the work itself, it would have to submit that to the Department of Taxation, and the Department of Taxation would have to verify that it was used by the county. This new proposed amendment is cleaner. If a contractor is laying asphalt, it would be taxable.

**Senator Atkinson:**

The proposed amendment from yesterday is not included.

**Chair Goicoechea:**

No.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED  
A.B. 332.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Goicoechea:**

I will now consider a motion on A.B. 241.

SENATOR HARDY MOVED TO DO PASS A.B. 241.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Goicoechea:**

We will now take up A.B. 410.

**Senator Parks:**

I have a real estate license, and this bill would not affect me.

SENATOR PARKS MOVED TO DO PASS A.B. 410.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Goicoechea:**

I will now entertain a motion on A.B. 445.

SENATOR HARDY MOVED TO DO PASS A.B. 445.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Goicoechea:**

The meeting is adjourned at 1:59 p.m.

RESPECTFULLY SUBMITTED:

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Darlene Velicki,  
Committee Secretary

APPROVED BY:

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Senator Pete Goicoechea, Chair

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

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	2		Attendance Roster
A.B. 332	C	10	Jennifer Ruedy	Proposed Amendment 7856