

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS**

**Seventy-Ninth Session  
March 30, 2017**

The Committee on Legislative Operations and Elections was called to order by Chairwoman Olivia Diaz at 1:43 p.m. on Thursday, March 30, 2017, in Room 3142 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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 at [www.leg.state.nv.us/App/NELIS/REL/79th2017](http://www.leg.state.nv.us/App/NELIS/REL/79th2017).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Olivia Diaz, Chairwoman  
Assemblyman Nelson Araujo, Vice Chair  
Assemblyman Elliot T. Anderson  
Assemblywoman Shannon Bilbray-Axelrod  
Assemblyman Skip Daly  
Assemblyman John Hambrick  
Assemblyman Ira Hansen  
Assemblyman Richard McArthur  
Assemblywoman Daniele Monroe-Moreno  
Assemblyman James Ohrenschall  
Assemblyman James Oscarson

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Assemblywoman Lesley E. Cohen, Assembly District No. 29  
Assemblywoman Dina Neal, Assembly District No. 7  
Assemblyman Steve Yeager, Assembly District No. 9



**STAFF MEMBERS PRESENT:**

Carol Stonefield, Committee Policy Analyst  
Kevin Powers, Committee Counsel  
Julianne King, Committee Secretary  
Melissa Loomis, Committee Assistant

**OTHERS PRESENT:**

Peeverill Squire, Professor, Department of Political Science, University of Missouri  
Kent M. Ervin, Ph.D., Legislative Liaison, Nevada Faculty Alliance  
Tray Abney, Director of Government Relations, The Chamber, Reno-Sparks-Northern Nevada  
Cheryl Blomstrom, Interim President, Nevada Taxpayers Association  
Mary Walker, representing Carson City, Douglas County, Lyon County, and Storey County  
Mike Cathcart, Business Operations Manager, Finance Department, City of Henderson  
Jeff Fontaine, Executive Director, Nevada Association of Counties  
Ben Graham, Government Relations Advisor, Administrative Office of the Courts  
Mark Nixon, Chairman, Mineral County Regional Planning Commission  
Mac Potter, Corporate Vice President of Operations, Nevada Casino Holdings, LLC  
Shelley Hartmann, Executive Director, Mineral County Economic Development Authority  
Dave Larsen, General Manager, SOC LLC, Hawthorne, Nevada  
Sondra Rosenberg, Assistant Director, Planning, Department of Transportation

**Chairwoman Diaz:**

[Roll was called. Committee rules and protocol were explained.] I will open the hearing on Assembly Bill 325, which is a proposal to create the Task Force on the Modernization of State Government.

**Assembly Bill 325: Creates the Task Force on the Modernization of State Government.**  
**(BDR 19-953)**

**Assemblywoman Lesley E. Cohen, Assembly District No. 29:**

I would like to walk the Committee through Assembly Bill 325, and then I will turn it over to Professor Squire to add additional comments and to help answer any questions that the Committee may have. Assembly Bill 325 would create the Task Force on the Modernization of State Government. This task force would be composed of two Assembly members; two Senators; one appointee each from the Governor and the Supreme Court; and from the Chair of the Legislative Commission, three appointees who are members of the public. The bill would ask the task force to make recommendations on how to improve structures and procedures in order to improve efficiency, eliminate duplication, reduce costs, expand access and communication, safeguard information, and increase accountability.

My goal with this bill is to bring Nevada state government into the twenty-first century. Nevada is America's Opportunity State, and it is time to open up a new frontier, one where we can hold our government more accountable by making it easier for our citizens to participate in the democratic process. Changing technologies continually raise new issues for government to address, from autonomous vehicles to drones. We need to be able to address these issues through better legislation, business practices, and technology policies. New technologies can increase government effectiveness and efficiencies but also carry risks and require sound management practices and policies.

State governmental processes and legislatures across the nation are becoming increasingly sophisticated in providing citizens with enhanced access to state government processes through the Internet and digital media. Almost all states provide some sort of Internet or television broadcasting of the legislative process, and legislatures are providing Wi-Fi in buildings and tools so that citizens can track bills, legislative actions, and other activities. Nevada has been at the forefront of this modernization. I am really proud of that. It is great when you are out meeting constituents and you can tell them about the Nevada Electronic Legislative Information System (NELIS) and how to track a bill or listen to a hearing online. The problem is, so few of our constituents actually know that is out there. Another place where we need to improve is, as our state governments become more entrenched in digital media, in the preservation of data that has become a higher priority. Assembly Bill 325 aims to modernize our state government's performance to serve as a foundation for helping agencies focus on their highest priorities and apply the latest technologies and lessons to form a more effective management of state agencies at a reduced cost.

Section 1 amends Title 19 of the *Nevada Revised Statutes* (NRS) by adding a new chapter. Section 2 titles the task force to be created as the "Task Force of the Modernization of State Government." Section 3 creates the task force and sets forth that it consists of two members of the Assembly, one member appointed by the Speaker of the Assembly and one by the Minority Leader of the Assembly; two members of the Senate, one appointed by the Majority Leader of the Senate and one by the Minority Leader of the Senate; one member appointed by the Governor; one member appointed by the Nevada Supreme Court; and three members appointed by the Chair of the Legislative Commission from the general public who are not employees of the state government. Section 4 concerns the timelines of the appointments. Section 5 addresses concerns about per diem and travel expenses.

Section 6 concerns the first meeting occurring on or before August 31, 2017, and at least once a month thereafter. It also states that a majority constitutes a quorum. Section 7 states that the Legislative Counsel Bureau (LCB) shall provide staff. Section 8 lists that the sections will be Executive Branch, Judicial Branch, Legislative Branch, and Nevada System of Higher Education (NSHE). This is a "shall," so each of the subcommittees within the task force is going to review structures and procedures of the relevant branch or system, but not the content or the specific programs of the branch or

system. They will make recommendations to improve the structures and procedures of the relevant branch or system for the purpose of improving efficiency, eliminating duplication, reducing costs, expanding access and communication, safeguarding information, and increasing accountability.

The next few sections are where we get into the "mays." There is a list of several items where the subcommittees may consider different issues. For instance, with the Executive Branch, the list is varied and diverse, as you can see. Cybersecurity, communication between state agencies, and sources of state revenue are several examples.

Section 10 is the list for the Judicial Branch subcommittee. Again, it is a "may." The list is varied and diverse, including specialty court programs, pretrial release and the risks of that, and pardons.

Section 11 provides the list for the subcommittee reviewing the Legislative Branch. Again, it is a "may" and is a varied and diverse list. It includes interim committees and professional development for legislators. This list in particular gets into some hot topics such as regular sessions for the Legislature, term limits, and that type of thing. To be clear, I am not advocating for these issues either way. I am just saying these issues should be considered.

Section 12 provides the list for the subcommittee to review NSHE. Again, it is a "may" and is diverse. It includes recommendations on expanding the mission and authority of the community colleges, and possibly separating "... the universities of the System from the colleges and community colleges within the System."

Section 13 gives the details of reports due at least twice each year from the task force. The reports will go to the Governor, the Supreme Court, and the Director of LCB to transmit to the Legislature or the Legislative Commission, as applicable. Section 14 states the task force may request no more than three legislative measures per regular session.

Sections 15 through 18 are conforming language having to do with preparation of legislative measures by the Legal Division of LCB. Section 19 makes this effective upon passage and has it expire on June 30, 2021.

I would like briefly to touch back on the task force and the idea of hot topics. The task force will hit on some hot topics, and it may be determined that there are some major overhauls needed, or it might consider that some minor tweaks need to be adopted. They may make no recommendations on certain topics, but I think, regardless, it is important to have those discussions and to have them in a deep dive. We get a lot done in 120 days, but sometimes we need to have thorough conversations. Ultimately, any measure they come up with that is recommended from the three measures that the task force is allowed to bring forth will go before the legislative body and the legislative body will make the ultimate decision. Professor Squire will take questions or he can make a statement.

**Chairwoman Diaz:**

We can listen to Professor Squire and then we can take questions from the Committee.

**Peverill Squire, Professor, Department of Political Science, University of Missouri:**

I have been a student of state government and state legislatures in particular for many years now. I had an opportunity to research a lot of the questions that are being raised by this particular measure. This is a useful exercise. This is the sort of thing governments have to do when working with a constitution that was originally developed in 1864. At a time when state governments are being asked to do more, Nevada is a state that is growing rapidly, and you are in a time when the federal government is going to be putting more decisions down to the state governments. It is useful to begin to think about whether the structures and some of the rules Nevada operates under still meet the demands that are being made on government.

Again, there is no one clear answer; there is a lot of discussion and research that needs to be done on this. Other states have gone through this at various times—California in the mid-1960s had a constitutional revision that dramatically changed the state government. They are still using their 1879 constitution, but they revised it in light of the demands that the state faced at that point in time. Again, just to reiterate what the Assemblywoman said, there are a lot of interesting questions to explore, and it appears to me that this task force would be a good vehicle for beginning conversations.

**Assemblyman Hambrick:**

Professor, this Committee had a discussion a couple of weeks ago about the potential combining and separation of two of our constitutional officers—the State Controller and the State Treasurer. We had a heavy discussion whether to separate those or combine them. I think the Committee may have a work session or a discussion about this. With your expertise, how do you square the combining or the reduction of state government at the Executive Branch level?

**Peverill Squire:**

Constitutional offices can be tricky. It depends on the demands being made on the government at that point in time and whether the combined office would still have sufficient staff to address the issues still being presented. It is one of those things that probably requires greater examination. Certainly, listening to the experience of the people who have served in that office to hear whether they think, given what they have been through, would make sense or could be useful. Again, there are arguments to be made both for and against it, and I think a task force is another one of those occasions when you can take the time to consider what are fairly significant changes.

**Assemblyman Daly:**

My first question is in section 10, subsection 9. One of the things that I was curious about is whether the Department of Corrections should be exempt from NRS Chapter 233B, the Nevada Administrative Procedure Act, which is the adoption of regulations and the procedures for contested cases. I was just thinking about what your thought process was there. I was looking at the exemptions in NRS Chapter 233B already, and with the exception

of one narrow section, the Department of Corrections is already exempt. Would you want them to review whether or not that exemption should continue or that other little section should not be? I was just curious because they are already exempt except for one narrow part.

**Assemblywoman Cohen:**

Again, there are a lot of different issues here. It is something that they can choose to look at or not. I was not getting at anything specific.

**Assemblyman Daly:**

I heard you say "may" and that they do not have to take up all of them, or they can take up any one of them. I was just curious on why that one was there. I am perfectly fine if they are going to be under the Administrative Procedure Act.

My second question is in section 14. It says, "For each regular session the task force . . . ." So you have one task force and four subcommittees, and they can only have three requests. Is that three per subcommittee? It seems to me you will be leaving one subcommittee out and will not be able to put in a bill draft request.

**Assemblywoman Cohen:**

This Committee can consider if there is interest in giving them more, but for now it is three because this legislative body is the body that makes the law of the state. I want the task force to be doing those deep dives, but I want to make sure this body still has the responsibility for legislation. The task force is going to need to decide what is the most important and what they want to champion.

**Assemblyman Daly:**

I will not argue over that. It just seems that three requests is low; each subcommittee should be allowed one. It was not clear if you meant per subcommittee or per the task force as a whole. Obviously, the Legislature reviews the bills and decides what passes, so we still have complete control over that. Putting in a bill draft request is the very first part of that process, not the end.

**Chairwoman Diaz:**

As I understand it, we will create the task force. The task force will break itself up into subcommittees, and then each subcommittee will delve into different areas that are recommended and are permissive. Who identifies the areas they are going to take a deep dive into? Is it the chair? Is it by unanimous vote of a subcommittee? I am just trying to get a feel for who is going to set the agendas when the task force and the subcommittees get to work.

**Assemblywoman Cohen:**

They will be doing those themselves. They will be self-governing.

**Chairwoman Diaz:**

Is it by majority vote of the subcommittee, or is it by the call of the chair?

**Assemblywoman Cohen:**

Yes, there is "call of the chair" language in there. I just do not recall exactly where.

**Chairwoman Diaz:**

I see it in section 6, subsection 1, where the first meeting is by call of the chair on August 31 and thereafter at least once a month at the call of the chair.

**Assemblywoman Cohen:**

Certainly, if you would like more specifics as far as how the subcommittees will be governed, we can look into that.

**Chairwoman Diaz:**

I do not see further questions. We will take testimony in support of A.B. 325. [There was no one.] Is there anyone in opposition to A.B. 325? [There was no one.] Is there any neutral testimony?

**Kent M. Ervin, Ph.D., Legislative Liaison, Nevada Faculty Alliance:**

The Nevada Faculty Alliance is the association of all Nevada faculties of all NSHE institutions. Our parent organization is the American Association of University Professors (AAUP). Since its founding 102 years ago, the AAUP has been advocating for ensuring meaningful faculty participation in academic governments. We have a statement on government of colleges and universities, which was jointly formulated in 1966 by the American Association of University Professors, the American Council on Education, and the Association of Governing Boards of Universities and Colleges. It guides the governing structures of universities and colleges in the United States. It does not mandate a specific structure, but it does provide broad principles for shared academic governments.

I am commenting on the task force subcommittee that would have the very large job of looking at very globally the NSHE structure. The higher education mission and the educational needs of students need to be paramount in any consideration of restructuring NSHE. The faculty of the institutions of higher learning in the NSHE should be integrally involved in the planning process of any restructuring.

We prefer a bottom up approach rather than top down. We advocate for an evidence-based approach to policy making. We are, frankly, fearful of ideologically driven policy. We are not saying there is any particular driving ideology here, but we are generally concerned with that topic. I recommend a 2016 documentary film, *Starving the Beast*, for examples of how politically driven policy and public higher education can go very wrong. We just hope you will consider these general principles when deciding on any task force, its charges, and its timelines and how it operates to include faculty and students in institutions during the process.

**Chairwoman Diaz:**

I am not seeing other neutral testimony. We will welcome back Assemblywoman Cohen for closing remarks.

**Assemblywoman Cohen:**

Thank you for considering the bill. I am certainly open to speaking with the Nevada Faculty Alliance over any concerns they may have. The goal is to modernize our government and make it more accessible to our constituents and more efficient.

**Chairwoman Diaz:**

I will now close the hearing on A.B. 325. At this time I will open the hearing on Assembly Concurrent Resolution 7. This is a proposal to create an interim study on property tax.

**Assembly Concurrent Resolution 7: Directs the Legislative Commission to conduct an interim study concerning property taxes. (BDR R-1049)**

**Assemblywoman Dina Neal, Assembly District No. 7:**

Assembly Concurrent Resolution 7 is a resolution which we are trying to implement over the interim to study property taxes. The largest question is, Why study what we already know? It is because we cannot seem to come to an actual agreement around the solutions for property tax. Historically, ad valorem taxes have been a most stable source of public revenue. Today, that is not the case. We are actually outpacing our property tax in terms of our growth. We have record population and record employment, visitation, and consumer spending, but property tax collections are at 2007 levels.

There are a number of structural changes with Nevada property tax. We are the only state in the nation that applies a depreciation factor on improvements. We are the only state in the nation that values property using a combination of replacement cost and cash value. We have property tax caps, and they were originally intended to address an unprecedented spike in property values, but they are now being applied during a time where we are having economic recovery. The simplest way to say that is we have protected ourselves so much that we are not getting enough growth from the tax, so we need a little more money coming in to provide for services.

We also have a complex secondary cap calculation causing confusion among taxpayers and an unintended fiscal consequence to the state. We need to revisit Nevada's property tax. It is not an attempt to raise taxes; rather, it is an issue of transparency, stability, and equity. One thing that I have learned being the current Chair of the Assembly Committee on Taxation is that we have the benefit in Clark County of seeing life through a very different lens. When you get into the rest of the counties, it is a very different story. There is a need to figure out how they can maintain their government services and make sure that they have a property tax stability that is managed with their growth.



For example, we had a hearing this week with the City of Fernley. Fernley grew in ways they never imagined they would grow. Yet, their property tax has not. We tried to come up with some ideas and solutions. They had a solution that no one agrees with, which is to increase the consolidated tax distribution (CTX). Now, there is a need to come together and create solutions, not just for that particular city, but also for the 17 counties around the state, so we can all feel stable and have equity in our process.

I know no one else really wants to have a tax study, but the committee will be small. We will have six members. I asked the Legal Division of the Legislative Counsel Bureau to craft it that way because not many people want to spend their biennium talking about property taxes. They certainly do not want to take off work to talk about property taxes. I would sign up, and the Chair of the Senate Committee on Revenue and Economic Development would sign up. We can find other members to be appointed who just love property tax so much that they will show up whenever we want to have a meeting to discuss solutions. That is the first section where there is a "whereas," and who will be appointed. It is bipartisan. We have one member appointed by the Speaker of the Assembly and one appointed by the Minority Leader of the Assembly. These members must have served on the Assembly Committee on Taxation this session. The last two members are appointed by the Majority Leader and Minority Leader of the Senate. These members must have served on the Senate Committee on Revenue and Economic Development this session. On page 2, the text talks about what happens if a member is not able to come and how the committee can assign someone or make sure we have an alternate. It also allows us to make recommendations and to submit a copy of our recommendations to the Legislature. That is what A.C.R. 7 does.

**Chairwoman Diaz:**

Thank you for being so brief and concise and walking us through the bill already.

**Assemblywoman Bilbray-Axelrod:**

I appreciate your bringing this forward. I know this is a big issue. I have served on the board of trustees for the library and that secondary formulation is a huge issue for what we are bringing in. With six bipartisan members—that is a low number, which is good—should we be worried that we will not come up with some clear, concise recommendations? Will we not have a stalemate? If they do come back with recommendations, are they going to have any teeth? Is there going to be an appetite for it? I know that I am getting phone calls and emails to my office because you are already dealing with a floor issue, and people are livid. They are scared to death. What is your idea? Do you think that number will be an issue?

**Assemblywoman Neal:**

I am not worried about the six-person number or not being able to come to an agreement. I think the folks who sign on to this will care. A lot of the folks are interested in trying to solve this problem. I have already decided that if we run into any kind of stalemates or folks who are not interested in trying to push the process along, we might nicely suggest that

another member be appointed. I am not worried about that because it is not just about the legislators, but external groups as well coming to the table. We expect a very diverse group of folks to come to the table and have a conversation.

The reason I am willing to take this on is that former Speaker Marilyn Kirkpatrick was attempting to do this in 2015. As a Clark County Commissioner, she used the local government finance group in the interim to try to come up with solutions, which happens to be the current bill we have, Assembly Bill 43, which is through the Nevada Association of Counties (NACO). The only thing that it does is offer stability. It does not deal with the issue of depreciation. It does not deal with the issue of evaluation of property. We really need to take some more steps to make everyone comfortable and make everyone understand. It is a complex thing.

It is also a political issue that most folks are worried and scared about. I am not worried about us not having teeth or not having consensus. I think the two chairs, Senator Ratti and I, are good listeners. We might sometimes be aggressive, but we are interested in having a good conversation and developing recommendations. What is good about it is that we already have about ten recommendations that we want to look through. We just need to get into the mechanisms, how they work, and the impacts across all 17 counties.

**Assemblyman Daly:**

I think you are right. I think the two chairs are good; I just have an issue limiting it to people on the tax committees. You might be surprised. I spent a lot of time looking at property tax in the 2011 and 2013 Sessions—I had bills on property tax both times. I would volunteer, but I do not qualify under this resolution. Realistically, the people on those committees have the interest to hear it more often, but there are other people who have been working on this issue for a very long time. I do not know that you want to limit it to just people on the tax committees. I do think the two chairs are vital.

**Assemblywoman Neal:**

I agree, and I would consider including other people. If we have time, we can add an amendment.

**Assemblyman Araujo:**

I wanted to get down to your thought process when making the decision to limit this to six legislators and having the Legislative Commission appoint this committee. I think you can go several different routes. We have all heard from several different stakeholders who want to have a say in this process. The way I am reading it, we are leaving a lot of this discussion and the ultimate decision in the hands of six legislators. Am I wrong?

**Assemblywoman Neal:**

That was not my intent when I sat down with the Legal Division about a week and a half ago. We envisioned the legislators plus other stakeholders such as NACO, Applied Analysis, and the counties—Clark County specifically. We do not want to be limited. I also want to make sure that I hear the rural perspective, because it is actually very different, and they have

different issues. In my head, that was never my intent. If I need to clarify that or add the working group language, I would. They said this just allowed the study to be created, and whomever Senator Ratti or I invited, we would be able to do that.

**Assemblyman Araujo:**

I could be reading this wrong, but perhaps we could add some language to specify that it ultimately could not be just a committee full of legislators. Or, we could have a cap on how many legislators could serve. Again, I could be reading it wrong, but that is just a suggestion. I wanted to dive in more on your thought process about what topics we would be discussing. There are 12 items that you initially thought could be brought up. Could you dive more into what the ultimate goal would be and highlight some of those specific recommended items for discussion?

**Assemblywoman Neal:**

The range of issues would include dealing with the depreciation factor and the fact that we are now the only state in the nation that has a depreciation factor. The way it works is when a property is 50 years old, they are out. When you think about growth and the fact that there are certain properties that you will no longer capture with the depreciation, then for the slower growing counties, you find yourself in a situation where the main "pennies that go in the bucket" are no longer growing. There is only so much you can do with sales tax. We have to look at that, and we have to come to an agreement.

Next would be the abatements. Currently, we are abating about \$700 million annually in property taxes. It is increasing over time, and we can see potentially a billion dollars in the next four to five years being abated from property taxes. We are trying to figure out how to cap those abatements or try to figure out, in our efforts to protect homeowners and make sure that they are not faced with property tax spikes or increases, how to try to make sure there is growth. There is a balancing act.

What is interesting about this conversation is that we find ourselves having the same conversation that we had in 2005 and 1981. We keep having these situations in our state economy where we come to the point where we have to keep dealing with our moments of growth and our moments of sustainability. It is important that we sit and have that conversation, because we do not want the 2005 situation to happen again, nor do we want to be in the 1981 situation—that was our most major tax shift. That is the range of things. I know there are some other issues out there that Senator Ratti has. They are looking at constitutional changes, and I am trying to look at more statutory changes, which are things we can go back and tweak and fix as a body to make sure they are working. Those are just some examples. The valuation of property would be another one.

**Assemblywoman Monroe-Moreno:**

You have already addressed two of my questions. One of them was about opening the membership and bringing people in from the outside that were not part of the Legislature. Once you do the study and get the information, how are we going to sell this to a regular citizen? Those of us in the Legislature or in this room understand why we may need to make

changes to our property tax schedule, but the citizens at the door are scared that their taxes are going to go up and they may not understand the impact of the situation we are in. How are we going to frame that so they understand? Will that be part of the 12 things on your list?

**Assemblywoman Neal:**

That is a good question. While I was sitting listening to the first bill, I was thinking about that. Regardless of whether this is passed out of the Legislature, how do we allay or deal with the fears of the regular citizen who does not understand? We could do some kind of marketing campaign—bipartisan, of course—to make sure that they understand that these are the changes that are reforming the system. We are not trying to hurt seniors or the poor. That is something I need to figure out and to talk with Legal about, what that could look like. That means it costs money, and we have to agree in a bipartisan way that there are certain tenets that we are going to walk forward that are politically safe. That is always the concern. You say "property tax" and everyone thinks the sky is falling. That is not necessarily the case when we are just trying to figure out how to create stability and equity across 17 counties.

I am really worried about the rural counties that will not have growth and then will not have enough money to take care of people. I have been listening to the Assembly Committee on Government Affairs presentations now for six years where we see how the rural population is growing; how their services are growing; and how they do not have enough revenue to take care of that. There was a period from 2011-2013, and even in 2009, where rural counties were increasing fees for services to try to take care of the people. We do not want a fee increase on services, but those were some of the things that folks had to start doing just to get through the bad times. I think we need to consider that and try to figure out solutions in a bipartisan way. I like the idea of a marketing campaign.

**Assemblywoman Monroe-Moreno:**

I will volunteer. I am not on the Assembly Committee on Taxation, but I will help come up with that solution.

**Assemblywoman Bilbray-Axelrod:**

To me, more important than anything is that all of the counties are represented. I believe that on the Assembly Committee on Taxation, it is just urban folks. Is there anyone from the rural counties who serves on Taxation?

**Assemblywoman Neal:**

Yes, but I cannot remember whom. There is more diversity on the Senate Committee on Revenue and Economic Development.

**Assemblywoman Bilbray-Axelrod:**

I think that, especially with the buy-in on the recommendations, we are going to have more buy-in if there is greater representation. I know we all work for all of Nevada, but I think there might be more, especially on our public relations tour.

**Assemblywoman Neal:**

Those are good ideas, and I will run that through Legal. We did not want to make it too large where we could not have a conversation or folks could not meet, but we also wanted to make sure that we had people. No one ever gets excited about property tax. Once you get home and leave session, no one wants to go anywhere to talk about property tax. I will take all of that into consideration and figure out how to flex this language.

**Chairwoman Diaz:**

I was going to make the recommendation about looking at ensuring that all of the state was adequately represented and making sure that the members who are part of this committee were from different geographic locations of the state. I also have a question about how often you foresee this committee meeting.

**Assemblywoman Neal:**

Often enough to where it is at least once per month, but we have to work that out once the Legislative Commission actually appoints those folks. I know that we need to meet at least monthly and then flesh it out as we go. We need to set the agenda, set the framework, bring together the stakeholders, and segment it out. If you talk about depreciation, that is all you can talk about. You typically cannot merge in conversations because then it gets convoluted, and sometimes it is really deep and complex. Depreciation is one of those things you have to embrace and really want to understand at all levels.

**Chairwoman Diaz:**

I also wanted to bring to your attention that six members is an even number, and you might have a tie situation where there are three members for something and three members that are not for it. Maybe consider making it a seven-member committee. Also, regarding how to get the information out to the public, maybe we could lean on the county commissioners and have some forums jointly with them. This is a subject that makes sense, and I know we have done that with other lawmaking processes where we have had this partnership and said that this is what we are working on. This would be a way we could gauge our constituencies in looking at the directions we want to head towards.

**Assemblywoman Neal:**

I like those suggestions. I need to look at the cost. I love public engagement, and we want to do the 17-county tour; that is great. We have to figure out the money and get it out of the Assembly Committee on Ways and Means. We have to agree that it is a sustainable amount of money over the period and what that looks like. I am willing to make that argument, but I do not want to weigh it down where I am begging Assemblywoman Carlton for the bill.

**Chairwoman Diaz:**

We will open up for testimony in support of A.C.R. 7.

**Tray Abney, Director of Government Relations, The Chamber, Reno-Sparks-Northern Nevada:**

We are in strong support of this bill. Our broad-based tax structures, including sales and property taxes, have a lot of work to be done on them. This obviously just concerns property tax. Some members of this Committee have heard me talk about the 2016 election when we worked on Washoe County Question 1, which raised the sales tax to build schools. I saw a presentation that said if our property tax system had been normal, we would have never had to do that. We would have been able to pay for those repairs and new schools with the property tax. This is vitally important that everyone pay his or her fair share. It makes sense moving forward. We are in strong support.

**Cheryl Blomstrom, Interim President, Nevada Taxpayers Association:**

I will also volunteer staff, if not myself. Assemblywoman Neal hit on some of the key components of the cornerstones, if you will, of a good tax system—transparency, stability, and equity. I think the way to talk to the public about this is by shining the light of day on it brightly, inviting them to be at the meetings, making sure that the outreach to the meetings is broad and deep, and making sure that everyone knows exactly what it is you are talking about each meeting. Depreciation is a really complex issue. It is going to take a couple of meetings to get through that to the depth that you need to. If the public is invited and the public understands, you will find you have decent public support. We strongly support this.

**Assemblywoman Monroe-Moreno:**

You are volunteering yourself or staff to help, is that correct?

**Cheryl Blomstrom:**

Yes, that is correct.

**Mary Walker, representing Carson City, Douglas County, Lyon County, and Storey County:**

I would like to thank Assemblywoman Neal for bringing this bill forward. I think it is very important. In the mid-1990s, I was on a technical advisory committee to the Legislature. I think it was a four- or five-year time frame, but it was very successful. In the end, we came out with a consolidated tax distribution that is still in effect today and working fairly well 20 years later. We also revamped the fuel taxes. The one thing we did not revamp was property taxes. Assemblywoman Neal is absolutely correct—this is very complex subject our citizens do not understand, and this would be a wonderful opportunity to educate the people. I also would give my services to sit on the technical advisory committee or in any capacity they may need.

**Mike Cathcart, Business Operations Manager, Finance Department, City of Henderson:**

We are in support of A.C.R. 7. I want to thank Assemblywoman Neal for bringing the bill. We believe a study such as this would be beneficial to look at the possibility of updating and simplifying our state's property tax system. As Assemblywoman Neal mentioned, this is not an attempt to raise taxes; instead, it can be a platform to ensure stable revenues to provide public services for the future.

**Jeff Fontaine, Executive Director, Nevada Association of Counties:**

We, too, want to thank Assemblywoman Neal for bringing this forward. I especially appreciate the conversation with the Committee members and with Assemblywoman Neal about this being an issue for all counties, because it is. Many of our counties are already at the tax cap. We know that this is an issue across the state. Property taxes are one of the largest, if not the largest, revenue source for our counties for the General Fund and for other purposes. It is very important.

I heard other speakers talk about the need to have a stable, equal, and transparent system. I am not going to sit here and advocate for A.B. 43; that bill has already been heard, but I think we learned a very valuable lesson in the presentation of that bill. Assembly Bill 43 made one very minor tweak to the property tax formula, yet after several hours of hearings and various conversations, people still did not understand it. It is very complicated and I think that is part of the problem, not only with the property tax formula, but also explaining it to people who pay taxes. It is very hard to understand. We applaud Assemblywoman Neal and look forward to working on this study.

**Chairwoman Diaz:**

Is there anyone else in support? [There was no one.] We will go to opposition. Is there anyone in opposition? [There was no one.] We will move to neutral. [There was no one.] Assemblywoman Neal, you may come forward for closing remarks.

**Assemblywoman Neal:**

I appreciate your listening to me and hearing me out on A.C.R. 7. We have plenty of volunteers. I would appreciate your consideration. Hopefully, we can get this moved out with some minor changes, and I would like to present those back to the Committee if you feel it is appropriate to give it a work session.

**Chairwoman Diaz:**

You are welcome any time in the Assembly Committee on Legislative Operations and Elections. I will close the hearing on A.C.R. 7. I will open the hearing on Assembly Concurrent Resolution 9. This is a proposal to create an interim study relating to treating certain traffic violations as civil infractions.

**Assembly Concurrent Resolution 9: Directs the Legislative Commission to conduct an interim study concerning treating certain traffic and related violations as civil infractions. (BDR R-1064)**

**Assemblyman Steve Yeager, Assembly District No. 9:**

The resolution itself is not that complicated, but I did want to give the Committee a little bit of background, and I wanted to thank my attaché, Jeff Dixon, who did some research for me on this. The topic we are talking about here is traffic infractions and whether they should be treated as criminal or civil infractions. The question of how to treat these has really been something that the country has grappled with for a long time.

In 1973, Congress directed the U.S. Department of Transportation to study administrative adjudications of traffic infractions. In 1976, the American Bar Association also asked for a similar study. Twenty-two states since 1970 have reclassified minor traffic infractions as civil, rather than criminal, offenses. The two big reasons to do so have been evolving viewpoints on how we should treat minor traffic infractions, and also there is a question of cost and benefit analysis of how these cases are processed, by whom, and in what venues. The type of offenses in other states that have typically remained criminal are the more serious infractions such as reckless driving, driving under the influence, driving on a suspended license, and so forth. That gives you a nationwide history.

Let us talk about what has happened in Nevada over the last couple of sessions. I know this will be familiar to some of you on the Committee who have been here since 2013. In 2013, we had Assembly Bill 248 of the 77th Session. This would have converted a criminal traffic infraction to a civil traffic infraction. We had 39 of 42 Assembly members sign on to this proposal as well as 18 of 21 Senators. This was widely supported, and it was a bipartisan effort.

Before it passed out of the Assembly, it was converted to a study, much like we are asking for here. It would have been a study done by the Advisory Commission on the Administration of Justice, which is an interim committee. It passed out of the Assembly 41 to nothing in the 2013 Legislative Session. It passed out of the Senate Committee on Judiciary unanimously, but it never got a vote on the Senate floor, so Assembly Bill 248 of the 77th Session did not make it out of that session.

I know Assemblymen Elliot Anderson, Diaz, Hansen, and Ohrenschall were on the Assembly Committee on Judiciary in 2015. That bill was brought back as Assembly Bill 281 of the 78th Session. Again, we had 38 of 42 members sign on, and 12 of 21 from the Senate. Again, we had bipartisan support for that bill. Again, in the Assembly Committee on Judiciary before it was passed out, it was converted to a study that would be done by the Advisory Commission on the Administration of Justice. It passed out of the Assembly 40 to 2, and then it received a hearing in Senate Judiciary, but never received a vote.

Here we are for a third time, trying to give this a shot. What A.C.R. 9 does is it lays out what we would need to study in the interim. It envisions turning these minor traffic infractions



into civil rather than criminal offenses. Many states do this now, including the neighboring states of Arizona, California, Colorado, Oregon, Utah, and Idaho, just to name a few. The major violations would still be criminal in nature. We need to do this. There was some work on this in the interim. We thought we would try to get this through this session to make it policy. Most of the folks working on the issue did not win their elections, either back to the Legislature or to the bench. We did not have the work in a place where we could advance it.

Coming into this session, my initial thought was that maybe we could do this, but I think it was a little more of a heavy lift than we had time to do this session. Although it seems simple from the outset, some complicated issues need to be ironed out. For instance, if they are civil infractions, who prosecutes them? What courts will have jurisdiction over the civil infractions? How are we going to ensure collection? There is a thought of maybe keeping them criminal but making them nonarrest violations. What we are trying to achieve here is not putting people in jail for minor traffic infractions or the warrants that potentially result from intentional or unintentional nonpayment of fees and fines associated with them. That is what we have with Assembly Concurrent Resolution 9.

As the Committee can see, A.C.R. 9 would direct that kind of study to be done in the interim with three Assembly members and three Senators. My hope would be if this passes, we could bring in some of those other states and have those discussions. It is particularly important to loop in the courts—both the justice courts and the municipal courts—to figure out how best to do this, so our citizens do not have to suffer the collateral consequences that come from having criminal traffic infractions on their records.

**Assemblyman Ohrenschall:**

Thank you for bringing this bill. I recall this bill from the last two sessions, and certainly, we had testimony about some of the traffic tickets that go to a bench warrant, or someone forgets to pay it or they were kicked out of their apartment and the mail does not get to them and then a bench warrant is issued. Then, because of a traffic ticket, someone may spend a weekend or longer at the Clark County Detention Center. Then they may be out of a job. I think there is a lot wrong with the current system. I hope that the study will try to solve it. In my opinion, these traffic offenses should not be considered criminal, and I do not think we should use criminal penalties to be a bill collector. Fines need to be paid, but this study is appropriate.

**Assemblyman Hansen:**

This is like déjà vu, two sessions in a row. I am trying to remember why in the Assembly Committee on Judiciary we converted it back to a study. As I recall, there was a lot of blowback from the judicial courts using that money for their operations. Also, if you removed it from criminal and made it civil, they could not go after them for collections. We were all on board for this whole concept because it is silly to have this be a criminal offense, but there were a remarkable number of obstacles to overcome. Have you had any opportunity to look at those and weed some out to not waste a lot of time in the committee?

Are they going to start from square one or are they going to get an overview of why these things were shifted to studies rather than put in the *Nevada Revised Statutes* (NRS)?

**Assemblyman Yeager:**

I did have an occasion last night to review the minutes from 2013 and 2015. Interestingly, in 2013 there seemed to be less opposition to it, and in 2015, most of the opposition did come from courts. They were concerned whether doing this would require them to put in a new computer system, whether they would have to hire additional staff, and what would happen to collections of fees and fines, some of which are used to fund court systems and other things in the state. I was not here in 2015 on the other side of this table, but the thought then was likely that it was something that needed a little more study to figure out how to make it happen. I do not know that anyone disagreed with the policy; it was just the procedures and how we would implement it.

I have been involved in some discussions over the interim with some of those stakeholders with courts, and they continue to express some of those same concerns. My hope would be that if this were to be passed, if I am fortunate enough to be put on that committee, I could start working on some of that to figure out how to make it happen. The truth is, we are not treading new ground here. Other states do it. I do not know if in the other two sessions it was looked into in the manner that it should be, but I am hopeful that if we have a study, we can come back to the Legislature in 2019 and have something workable that everyone will come to support. I would like to have done it this session, but knowing how it went the last two sessions, I thought it was more of a lift than we could get through this time.

**Assemblywoman Bilbray-Axelrod:**

Thank you for bringing this up. This rings true to me. In my past life, I worked closely with the Stand Downs for homeless veterans. I know we would have a judge come and some of these veterans would not ask for social services because they had an outstanding warrant. In your interim studies in the past, have you worked with veterans' organizations? I think that would bring a unique perspective to this issue that could also get more buy-in.

**Assemblyman Yeager:**

I have not specifically talked to the veterans' organizations. I am aware of the Stand Downs for homeless veterans and have participated, but I think you make a wonderful suggestion. My hope would be that if this bill was to pass, the committee could hear from traditional stakeholders like courts, prosecutors, and defense attorneys. We could also bring in some of those groups to talk about if we are going to transition this in some way, how best to do it and what we do with the existing warrants out there. I think veterans' groups would certainly be able to offer a very good perspective. That is something I would hopefully be able to have a part in, or if this bill passes and I am not on the committee, I would certainly make that suggestion.

**Assemblyman Daly:**

I think most of the questions I have would be answered by the study. I would make this comment, not to pick on the courts, but I do not know if you have looked at a ticket. If you

get a \$90 fine, the bill is \$135 because you have \$35 for this and \$10 for that, and it is all court fees, which you are paying on top of a fine. You never actually go to court. Theoretically, if you change this, those fees would not be needed because you would not be going to court. I do not know if it should be a wash unless they are already enriching themselves unjustly.

**Assemblyman Yeager:**

I do not think I am saying something that has not already been said by others and even those in the court system. I think it is somewhat concerning that we tend to fund our courts based on fees and fines, and not just courts but other things in the state as well. That is a broader discussion. In an ideal situation, we would have enough funding in the state so we would not have to do that. I do not think we are in that position now, but that topic is a particularly important one in terms of the funding for municipal and justice courts. It is something we would spend a lot of time looking at—how to address that issue and perhaps get into some of the philosophical discussions relating to funding as well.

**Assemblyman Daly:**

The theory is that those fees, fines, and extra costs are to offset the costs of processing those tickets. If you did not have to process those tickets, those fines are not necessary and those costs would go away. It should wash out even. If the courts are complaining, there is another problem.

**Assemblyman Elliot T. Anderson:**

The reality is, with the court's opposition, it comes around because we fund them. We tell them that we are going to fund them based upon fees rather than taxes. To the extent that we are going to complain about the courts, we also have to look a little inward because we generally like to set things up with fees in this state. That is just a point before we beat up the court system.

**Assemblyman Ohrenschall:**

Maybe this is beyond the scope of the study, but I remember during one of the hearings discussion from one of the justice courts on how, if one of the notices is returned in the mail, the bench warrant automatically issues. Certainly, the judge who testified mentioned that it is every person's responsibility when changing addresses to go to the Department of Motor Vehicles (DMV) and update this information. Even if you have someone who tries to be as compliant as he can be and goes to the DMV, as transient as our state is, I think there is a big chance that because of a notice coming back in the mail that a bench warrant may be issued, even though someone tried to do everything right. Then he is going to get pulled over for something minor, and the police realize he has a bench warrant and take him down to county. Do you think the committee could look at that issue about maybe being more lenient in terms of how transient our state is, or is that beyond the scope of the study?

**Assemblyman Yeager:**

I think that is certainly something the study could look at in the context of deciding to keep these matters criminal but somehow making them nonarrest or having some kind of grace

period even with a warrant. Or, if we go to a civil system, how do we ensure collection, and presumably there would not be a warrant issued at some point. I think that is something we could look at in the study, particularly if the study goes in the direction of keeping these criminal but trying to ease up on having people arrested. There might be a way to work on that.

**Chairwoman Diaz:**

I have one recommendation. It does not state that when we put together this committee and are delving further into this issue, members come from diverse geographic areas of the state. I think that it is crucial to have representatives from different parts of the state sitting on this committee to provide another perspective on these issues. We will take testimony in support of A.C.R. 9 at this time. [There was none.] We will take testimony in opposition. [There was none.] Is there anyone here to provide testimony in the neutral position?

**Ben Graham, Government Relations Advisor, Administrative Office of the Courts:**

A study is an excellent idea. For instance, there is a portion of administrative assessments that goes into the State General Fund. A very significant portion of the administrative assessments goes elsewhere rather than the courts. I think this is a good direction to go. Thank you.

**Chairwoman Diaz:**

I will invite the bill sponsor of A.C.R. 9 back.

**Assemblyman Yeager:**

I would like to thank the Committee for the consideration of A.C.R. 9, and we would be happy to answer any questions as we move forward with this process.

**Chairwoman Diaz:**

With that, I will close the hearing on Assembly Concurrent Resolution 9. We will open the hearing on Assembly Joint Resolution 11, which is a proposal to urge Congress to ensure that the Intermountain West Corridor runs through Mineral County.

**Assembly Joint Resolution 11: Urges Congress to ensure that the Intermountain West Corridor does not bypass Mineral County. (BDR R-561)**

**Assemblyman Ira Hansen, Assembly District No. 32:**

On my left is Mark Nixon; he is the chairman of the Mineral County Regional Planning Commission. On my right is Mac Potter; he is the vice president of operations for the El Capitan, which is one of the largest employers in Mineral County. Also in the audience is Shelley Hartmann, who is the executive director of the Mineral County Economic Development Authority. We also have very interested citizens from Mineral County here as well.

[Read from Exhibit C.] I am here to introduce Assembly Joint Resolution 11, which relates to the planned expansion of Interstate Highway 11 (I-11) and the Intermountain West

Corridor. In 2015, Congress passed the FAST Act, which stands for Fixing America's Surface Transportation. The Act designated the Intermountain West Corridor as a high priority project in the national highway system. The overall plan is to create a transportation network from Mexico to Canada, between the Rocky Mountains on the east and the Sierra Nevada and Cascade Range on the west. The Northern Nevada Future Connectivity Corridor is part of this plan, and it stretches from the northern edge of the Las Vegas metropolitan area to Nevada's northern border.

As you can imagine, anything that involves building a new federal highway is going to take years of planning. I will not spend a lot of time on feasibility studies and evaluation processes. It is sufficient to say that a number of different routes have been identified as options for this corridor. Assembly Joint Resolution 11 endorses a portion of the route that is included in the FAST Act. This route essentially follows U.S. Route 95 (U.S. 95) north out of Las Vegas, around the City of Tonopah and Hawthorne, and up to Fernley on Interstate 80 (I-80).

From there, the FAST Act provides that the route will go west to the Reno metropolitan area. Following the existing U.S. 95 corridor into west-central Nevada, it connects economic activity centers and creates high capacity transportation connections. Compared to the other options that run along the east side of Nevada, Hawthorne and Mineral County offer a number of benefits, including existing rail services and a dedicated rail bed extending to Tonopah.

Mineral County has existing geothermal and solar installations with the capacity to expand renewable energy opportunities and an airport capable of accommodating cargo planes. Finally, Hawthorne is the home of the Hawthorne Weapons and Ammunitions Depot, where military special forces train, and the Hawthorne Technology and Industrial Center, which is designated for commercial use as well.

The Intermountain West Corridor could be an economic boom to central Nevada; however, until the heavy equipment actually starts to move dirt, it is possible that Congress will change the route. That is why I think it is important to express the Legislature's position on the proposed corridor to reinforce our support for the route through Mineral County and up to Interstate 80. Much more is at stake than just a highway. This is a chance to revitalize communities in rural Nevada and encourage economic development.

Mineral County is probably the most economically devastated county in Nevada. It is still struggling. Hawthorne has been struggling for a long time. This highway is extremely important. The reason there is somewhat of a rush on getting this resolution through is that there are a bunch of businesses that want to come to that industrial park, but until there is a certain level of certainty that the highway is going to go by Hawthorne, they will not make a 100 percent commitment.

Obviously, Hawthorne is in my district. It has struggled for years, and this will be a great opportunity. I honestly think the darkest time is just before the dawn. Because of the

industrial park there and its unique capabilities, I think they are on the cusp of a real economic boom, and rather than being one of the most struggling counties, if this highway comes through, they will be one of the more prosperous rural counties. With that, I will turn it over to Mr. Nixon.

**Mark Nixon, Chairman, Mineral County Regional Planning Commission:**

I am going to reiterate what Assemblyman Hansen said. This is absolutely critical for Mineral County and the town of Hawthorne as we have the assets there and the local military base. The military base has served vital functions since World War II and on. Ups and downs have followed with that in regard to their shipments.

In 2010, a significant event happened with the base. They were actually named as a part of the Armament Retooling and Manufacturing Support Program, which allows for commercial use of buildings on the base. There are tens of thousands of square feet of unused warehouses, railway, and so forth on the base that can be utilized.

The base consists of 147,000 acres of land total including the warehouses. Also, they recently commissioned another 18,000 acres as the Hawthorne Industrial and Technology Center. The opportunities are enormous there. Because of this, we have had very serious inquiries from major corporations that are actually big enough to occupy half or more of that base if we could make this happen, but it is all dependent on Interstate 11. I provided a pamphlet ([Exhibit D](#)) with a lot of history of the town and how the base came about.

In 2015, the Nevada Department of Transportation (NDOT) started a study of a Nevada freight transportation plan. In that plan, they talked about interval transport and an inland freight hub. It has been talked about in the past with different venues for inland freight hubs, and Hawthorne is ideal for it. The opportunity for cross-stocking and so forth is tremendous. Most of these warehouses that we are talking about actually have rail service to them, and they have docks through them.

As part of this, NDOT tried to put together stakeholders to help determine what the Nevada state transportation plan was, and for some reason, we were not aware of it. We are behind the game in getting involved with NDOT and their process. I know they have already adopted a freight plan, but at the same time, as a freight hub or transportation center, Mineral County was not noted. We are here to try to get on the record that we are available, willing, and ready to work.

Some of the things that are available out there, not only for the transportation and storage and cross-stocking—there is also in-house facility maintenance. The facilities can be modified upon approval from the government. They can actually modify the facilities to the needs of the clients involved. They have the capabilities for receiving, shipping, storage management, accountability, and inventory. It has 24-hour security, and onsite fire and emergency services already exist.

As we look at this, the Hawthorne Airport was there as part of a federal land giveaway many years ago. The Federal Aviation Administration has allotted enough acreage there. I believe the airport is 900 acres, but it could be expanded. We already have the capacity to serve the airport, industrial park, and the base with capability to land a C-130 cargo plane there now, and there is room for expansion. The multimodal aspect there we can easily cover.

Right now, the existing primary corridors are Interstate 15 and I-80, but the closest north/south corridor is Interstate 5. Interstate 5 is terrible at this point. I read that the Interstates in California are 85 to 89 percent congested. We actually have had people come to us and talk about what this would do to relieve the pinch points and traffic in California at this point and get from the Ports of San Diego and Los Angeles to more inland corridors. Not only would this benefit Mineral County, it would be a big boon for Nevada and even surrounding states. There are people talking to us who are willing to and thinking about establishing transportation centers in Hawthorne to relieve this and hit all of the Western states.

We understand that building infrastructure is expensive. I will refer to a trip report that was put out in 2016. When the original Interstate System was built, the rate of return that came back for every dollar of public investment was 54 cents per year. You look at the rate of return, and they were not building to existing infrastructure at that time. So if you are looking at building to existing infrastructure, even now with the addition of the railroad and highways, it would open markets up for productivity through the trucking industry, the rail industry, and inventory distribution.

Since we were made aware of this, we have been working proactively in seeking partners to work with us in tracking the I-11 through Mineral County. We put feelers out. We started talking to the neighboring bases, and we talked to Churchill County. In Mineral County, we worked with the Army, the Navy, and with different governments. We have a proposed route that would have the least impact and least number of easements that we would have to obtain to make this happen.

Several months ago, Congressman Amodei met with Mineral County and actually proposed a phased approach. This is originally slated to come south to north. His proposal was to phase this and look at it from north to south. This makes sense to us because then you start seeing the rate of return on the investment as you are moving forward. After you leave Las Vegas, there is a lot of open ground there. Not only could it be a phased approach as to building it, but you could even phase it deeper by bringing the railroad in one segment, then start the highway or the utilities corridor. There is a lot of opportunity there and a lot of food for thought. We are ready and willing to sit at the table and work with anyone to make this happen for Mineral County and Hawthorne.

If you look through the pamphlet, the opportunity is there. The tax base in Mineral County is small. This would increase it tremendously. If the highway bypassed it, it would devastate Mineral County. Not only that, we have been told by the Army and the past commander of the base that if in fact that would happen, Hawthorne would dry up. Without this port, the

base would be subject to action from the Base Realignment and Closure Commission (BRAC). We survived one base realignment and closure, and that is a difficult thing to do. I do not think we could manage to do it again. I cannot stress enough the importance of trying to bring this through Mineral County.

There are issues that we dealt with when we were talking with Churchill County. They are doing an expansion of their base, and they are going to be going through the land withdrawal process. One of the issues that has come up in the land withdrawal process is the abandonment of the state route that goes through the area they are talking about. We have been working with Churchill County to map the I-11 corridor just west of the abandoned road they are talking about. It works for both counties and both bases.

**Mac Potter, Corporate Vice President of Operations, Nevada Casino Holdings, LLC:**

[Read from [Exhibit E](#).] I represent the owners of the El Capitan Casino. We are in the final phase of a major and long overdue remodeling product at the El Capitan that will add significantly to its value and enhance Hawthorne's ability to attract travelers on U.S. 95 to stop and rest between Las Vegas and Fallon. As one of the largest nongovernmental property owners, employers, taxpayers, and contributors to the local economy in Mineral County, we are also stakeholders who are keenly interested in the future of I-11 through central Nevada and, in particular, its proximity to Hawthorne. While construction of this part of the Interstate is likely many years in the future, planning for the route it will take is obviously well underway. It is this much more immediate fact that strongly colors the current perception of the area's future, economically and otherwise. While that future should look bright, just now the lack of certainty here makes it much less so.

Early in the planning process, the Nevada Department of Transportation (NDOT) made the commitment to ". . . continue collaboration between current and new partner agencies at the federal, state, regional, and local levels, as well as in the non-governmental and private sectors," warning that Arizona and Nevada could lose significant opportunities to grow and diversify in their economies if certain actions were not carried out. In responding to the question: What is the I-11 and Intermountain West Corridor, NDOT explained, ". . . the I-11 and Intermountain West is intended to be a multimodal corridor, pairing together highway and freight or passenger rail and other major infrastructure components, including power and energy; natural resources such as oil, gas, and water; telecommunications." First and second among the goals that were cited following that answer were to connect and enhance the economic vitality of communities connected and served by the corridor. Let there be no doubt that we have rightly taken these commitments to include central Nevada, Mineral County, and Hawthorne.

Obviously, the cost of the new highway, including land acquisition, is a huge consideration, if not the main one, in planning for the route. The appearance of cost savings can be illusory, however. Consider how much greater the real cost will be to Mineral County—indeed to the entire state of Nevada—for the County's economic demise if, in the attempt to achieve one-time cost savings, that route bypasses and extinguishes Hawthorne. That process will result in a lifetime of loss. Simply put, the cost of a new highway pales by comparison to the



loss of a county. Taken in this broader view, it is far better to recognize Mineral County/Hawthorne's well-being, value, and potential increased economic contribution to the state by ensuring that I-11 is planned for close proximity to the town.

To be clear, I represent our company's interests only. I occupy no official position representing Mineral County's interests. While I often speak about the issue, it is only with the knowledge and concurrence of the county commission and planning authority that I represent the common consensus on this matter. All of us here in Mineral County and Hawthorne—governing bodies, business and property owners, and residents alike—have a stake in the outcome of this critical process. There is a great deal of opportunity to enhance economic development and community stability and well-being here that must be fully explored, well understood, and not be discounted or overlooked. With its existing highways, railroads, and an abundance of developable commercial land for industrial parks and intermodal freight centers, the choice for I-11 in this part of Nevada should be clear—it is Mineral County/Hawthorne.

Underscoring the importance of getting to a final choice of the route now to ensure the perception of the area's future, we have formally requested NDOT's commitment as early as possible to the plan that ensures that the route serves Hawthorne/Mineral County and Nevada's best interests overall. In the furtherance of that initiative, we are here today to strongly encourage this Committee not just to recognize the value of this part of Nevada, but to adopt Assemblymen Hansen, Ellison, and McArthur's proposed joint resolution, A.J.R. 11, urging Congress to ensure that the Intermountain West Corridor does not bypass Mineral County. For those of us in Mineral County, this is quite literally the decision of a lifetime.

In closing, I want to express our appreciation to Assemblymen Hansen, Ellison, and McArthur for their leadership in advancing this initiative. For the record, I would also like to express my appreciation to Governor Sandoval and the NDOT Board of Directors for receiving our input, and NDOT Director Rudy Malfabon and his team for the courteous and professional assistance we have received in our efforts to keep abreast of the I-11 planning and development. Finally, thank you, Chairwoman Diaz and Committee members, for permitting us the opportunity to express our position on this critical issue.

**Assemblyman Ohrenschall:**

Thank you for bringing this bill, Assemblyman Hansen. I always try to stop in Hawthorne. I do not go to the El Capitan much anymore because I overdo it at the buffet, but I usually stop at the truck stop on the north end of town to get gas and some provisions as I am driving north. Is the vision that the old U.S. 95 will become I-11 and that it will be expanded into a four-lane or six-lane super highway? What is the current unemployment rate in Mineral County?

**Mark Nixon:**

It is my understanding they are going to follow the existing U.S. 95 corridor. There are existing railroad beds still dedicated from Hawthorne to Tonopah that we know about that

are still deeded. Sometimes when you are talking to the NDOT people, they will tell you that it will vary, but I think the references made on the variance are to what they are going to encounter as obstructions such as terrain or some other obstacle. For the most part, it is following the U.S. 95 corridor.

**Assemblyman Hansen:**

The unemployment rate is 6.5 percent.

**Assemblyman Ohrenschall:**

The only other comment I wanted to make is to mention the Base Realignment and Closure Commission. We have Assemblywoman Bilbray-Axelrod on the Committee, and I know her father served on the Commission and was instrumental in 2005 in persuading the other commissioners how important keeping the military installation at Hawthorne was and not going along with former Secretary of Defense Rumsfeld in closing it. I know that former Congressman Bilbray played a great role in trying to protect our military installation at Hawthorne.

**Assemblywoman Bilbray-Axelrod:**

Thank you, Assemblyman Ohrenschall, for that compliment to my father. I do believe that is true. You have said you do not think Hawthorne could make it through another one. I think you might be right; I know he worked tirelessly. I think this is a great bill. You know that saying, if you do not have a seat at the table you end up on the menu. I think you are doing the right thing.

Last night, I started doing some research on the I-11, and I found a lot of studies. There is a study online at I-11study.com that shows the whole corridor that is being figured out.

There are links to information about the Arizona section and the Intermountain Corridor Study, which I read in depth. Nevada has a section, but when you hit the Nevada link, it does not work. It could give the impression to people that maybe Nevada does not care that much. That jumped out because I do think we should be as far out ahead of this as possible. I am from southern Nevada, and we talk about the I-11 a lot, the Boulder City Bypass, and the fact that Las Vegas and Phoenix are not connected. They are the only two large metropolitan areas in the West that are not. What I am saying is that you have a lot of public relations that you need to do, so this is a good start. I just wanted to make sure that you were aware of that.

**Assemblyman Hansen:**

We actually have NDOT here, so we are hopeful that we are going to get them in gear, because I would assume that they would be the people who would be doing that regarding where Nevada is on the I-11 corridor process. I know some other folks will testify so maybe we can get some additional ideas on that and some impetus on getting Nevada represented. It is kind of embarrassing that we are not even on there.

**Assemblyman Daly:**

Usually the resolutions do not have a lot of impact, but I think this one may be one of the more useful ones. Hopefully, our delegation could help with that. I think the U.S. 95 route makes the most sense. On the list of people that you had in support ([Exhibit F](#)), I did not see the Walker River Paiute Tribe. I am assuming you have reached out to them, because obviously, it goes right by the reservation. I think that would be an important piece of the puzzle, and obviously, it would be a detriment if they were not on board.

**Mark Nixon:**

We actually approached them formally. I went out personally and met with their tribal council. They had been talking to NDOT independently. They were asking us how much we were going to pay them for permission to go through the tribal land. We obviously were not going to gain anything, so we left the door open. To this day, they have not contacted us or approached us again. We do try to reach out to them, but as of this time, I have had no response.

**Assemblyman Hansen:**

That is something that will be worked out. I know that Churchill County was working with the tribes. With anything like this, there are bugs to be worked out. Once this resolution and this type of stuff has more certainty, those negotiations will go forward more aggressively. I am sure the tribe will be completely cooperative, and hopefully, we can work out all of the bugs and make this come to fruition.

**Mark Nixon:**

When Congressman Amodei approached the NDOT Board on March 13, he brought up an important point: The longer we wait, we start losing options. There was another proposal to go up on the eastern side of Mineral County through Nye County and through Gabbs. That went away with the Navy's land withdrawal applications. Given that, the longer we wait, the fewer options we have.

**Chairwoman Diaz:**

I will open it up for those wishing to provide testimony in support of [A.J.R. 11](#).

**Shelley Hartmann, Executive Director, Mineral County Economic Development Authority:**

My husband and I have a business in Mineral County. I was in the job three months when I had to learn the language of BRAC. It left a permanent mark. Thankfully, we had Nevadans on that BRAC commission because we were told to shut up and go home. I thought, I am from Nevada; we do not shut up and go home. We fought and we were off that list, but we know next time, the friends we had are no longer there.

Economic development is my favorite thing to talk about. Our new Hawthorne Technology and Industrial Center is a 16,800-acre industrial partnership with the Army base, and it is unique. Any of you that are from Nevada know that a rural town with land for sale is a very big deal. The land is not for sale. They can only lease it, but the Army has been extremely user friendly in getting permits done for everyone.

Right now, we have Top Rail Solutions, Inc., which has negotiated an agreement with the Walker River Paiute Tribe. I did reach out to the them, and I know next time there is a meeting we will have tribal members here. Top Rail Solutions is leasing most of the rail on the base. Our base has about 200 miles of rail, give or take. They are going to be storing 4,800 rail cars there. They are a logistics company, and anyone who is in economic development knows that if we get an Interstate, having rail access because of our new partnership with the tribe—we will have everything we need in Mineral County for economic development. It is a very big deal for Mineral County that puts us on the gold standard. This company would like to build rail. My husband and I drove the whole rail corridor, and it actually goes all the way to Beatty. The rail corridor is already there; most of it belongs to NDOT.

Top Rail Solutions is interested and is already talking to Burlington Northern Railroad and Union Pacific about rebuilding rail all the way to Las Vegas. The reason rail is important to us now, if for nothing else, is that if we go to Silver Peak, that means Tesla will be able to bring their lithium for the battery plant from here.

In Hawthorne, the Division of Minerals did a study for me for the base; we would open 56 mines. Anyone that knows strategic and industrial minerals knows they are not exciting, and they are not gold, but they are strategic, and they are important to economic development in the United States. We would have 56 new mines just in Mineral County if we have rail access. We are always going to talk rail.

This company would like to have an intermodal project on the base, but they are also looking at private property as well. What this company brings to us when we get our ink on our deal next week from the tribe, we have a steel company that is moving all of their steel to Nevada from Seattle because we do not have rain. They want to store their steel and do all of the shipping to all of their West Coast markets. That is going to bring new jobs to Mineral County.

The other thing that the rail company is bringing with them eventually is that we have a container repair facility on base that is not being used that they would like to turn into a rail car repair facility. That leveraged another company we are talking to that rebuilds the trucks that go under the rail to talk to us about moving here. It is not often that a small town like Hawthorne has access to 300 or more buildings. We have 10,000-square-foot cement buildings that have docks on all sides and rail to the doors. It is a nice asset, but I-11 is the monster in the room that when the companies talk to you, they always ask what is going to happen with I-11.

If this Committee could do us the favor of telling Congress, it would be really important to our little community to designate I-11 for Mineral County. For the record, our unemployment is 6.5 percent, and our poverty rate is 20 percent. The Legislative Counsel Bureau called me for research, so I provided that data to them yesterday. A poverty rate of 20 percent is not acceptable anywhere in America, and it is not acceptable in my county.

**Dave Larsen, General Manager, SOC LLC, Hawthorne, Nevada:**

SOC is the contractor on the base. We have been there over 20 years. Our contract runs through 2020, and we will rebid. Regardless of who does win that bid, it is important enough to speak about it. I wanted to make sure that you heard from us, since we work on a daily basis with the commander and everyone on the base. Our employment is about 625 employees right now. All of those people, obviously, come from Mineral County. We are going to continue to grow as the armament program grows.

Everyone that we talk to—and we are talking to some very large companies—is very excited about the rail opportunity, but at the same time, the next question comes in regard to where are we as far as I-11 and what kind of highway system we have. Top Rail Solutions, Inc. is talking about shipping iron in by rail, but it would go out by truck. It is very important that they know they will have a system that can support that. That is the same with a lot of the other manufacturers that we are talking to such as Tesla and other big companies. They are extremely interested in the Army base because it not only provides the space and good costs as far as the rent, but also the security. We have 70 security guards and security provided 24/7. That is very important to companies that are coming on board. There are a lot of things that attract them. The one thing we are missing is I-11. I fully support it, my company fully supports it, and we appreciate this opportunity.

**Shelley Hartmann:**

If I could add one thing, *United States Code*, Title 23, Chapter 1 talks about the Interstate System. The Interstate System was created by President Eisenhower after coming back from Europe and after using the Autobahn. He came home to the United States, and it took him six months to go across the United States, so the Interstate System was created. One of the issues is to connect military assets. Two military assets in Nevada are Hawthorne Army Depot and Fallon Naval Air Station. Connecting those two assets with an Interstate makes good sense and follows the federal law. Just for the record, that is another reason that we keep bringing this up.

**Chairwoman Diaz:**

Is there anyone else here to provide testimony in support of A.J.R. 11? [There was no one.] Is there anyone here to provide testimony in opposition? [There was no one.] Is there anyone here to provide testimony in neutral?

**Sondra Rosenberg, Assistant Director, Planning, Department of Transportation:**

I did not actually prepare testimony today, but I did want to answer one question about that website. We do share the I-11study.com website with Arizona Department of Transportation. They host it. The Nevada Department of Transportation recently created

a new website, so I thank you for bringing that to my attention because I got our communications folks working on reconnecting that link. The Nevada link goes to the I-11 project that is underway right now in southern Nevada, but we will be updating that as we move forward with this corridor. With that, I would be happy to answer any questions.

**Assemblyman Ohrenschall:**

If this route through Hawthorne were not picked, what other routes are there? Do you think they are seriously looking at other routes? It seems like the natural choice to me, having driven that Las Vegas to Reno route so many times. It seems weird that any other route would be considered, but I wondered, are they seriously considering any other routes?

**Sondra Rosenberg:**

A few years ago, Arizona and Nevada did a joint study and that is what is on the Intermountain West Corridor study website. We looked at a universe of alternatives. We had a map that shows all of these different corridors all over the states. Through a series of criteria, we narrowed it down to the purpose of the corridor.

In Nevada, we essentially narrowed it down to the western part of the state, loosely following the U.S. 95 corridor. That recommendation was endorsed by our Board. Congress did designate U.S. 95 as future I-11 in addition to being a high priority corridor, but that being said, we still have to follow the National Environmental Policy Act (NEPA). We cannot predetermine an alignment at this time. All of the planning points to it loosely following that corridor.

You asked why U.S. 95 versus alternative routes; those are probably the things we would be looking at as we go through small towns. Does it make sense to go around the town or through the town? There are some other roads that have been brought up from the public, for example, going to the east side of Walker Lake versus the west side since it is constrained. The concept of going back and reconsidering U.S. Route 93 (U.S. 93) is extremely unlikely. Most likely, this corridor will loosely follow the U.S. 95 corridor. Most likely, it will go through Mineral County. We just cannot commit to an exact alignment at this time until we go through the NEPA process.

**Assemblyman Ohrenschall:**

The alternative route through U.S. 93 would go through Ely on the eastern side of the state, or am I misunderstanding?

**Sondra Rosenberg:**

That route was considered as part of the initial study a few years ago. It was found that is not the ideal route to meet the purpose of the I-11 corridor. At this time, that is not even on the table for I-11. We are looking at corridor improvements along that corridor as well as U.S. 95, but it would not be I-11.

**Assemblyman Ohrenschall:**

If I-11 does go through Hawthorne or near Hawthorne, do you think it will be a four-lane super highway or a six-lane highway? What do you envision?

**Sondra Rosenberg:**

It is premature to determine that. The Nevada Department of Transportation is just starting our statewide long-range plan. We are calling it the One Nevada Transportation Plan. As part of that scope, we are doing what we are calling corridor development plans and looking at all of our major corridors—U.S. 95 and future I-11 will be some of those. We will start looking at what the need is in the future and identifying steps to start developing that corridor, even if it is not to full Interstate Highway standards. That is when we will start looking at what the future of this corridor looks like and how we phase it in so we do not need a huge amount of money to build this all at once. We are going to look at widening in pieces and eventually getting to Interstate standards.

**Assemblyman Hambrick:**

I understand you cannot commit to anything, but conceptually, would you think it would go right through downtown Hawthorne, or would you have easy exits to get into the community? I find it difficult to imagine splitting the town.

**Sondra Rosenberg:**

It is too early to determine that at this point, but there are some extreme challenges to going through downtown Hawthorne. We will consider that along with other alternatives.

**Chairwoman Diaz:**

Assemblyman Hansen, would you like to give closing remarks?

**Assemblyman Hansen:**

First, I would like to thank you for hearing this. It is obviously extremely important for Mineral County and Hawthorne. Unlike most other parts of the state, Hawthorne has one unique thing. How many people on this Committee remember a town called Babbitt, Nevada? Maybe only a few of the old-timers. That is a town that no longer exists that was actually part of Hawthorne. When that military base closed down, it became a ghost town. In the back of their minds, they have the worst-case scenario fear that if I-11 does not go through Mineral County, people will ask if anyone remembers the town of Hawthorne.

In all honesty, if they can eliminate the uncertainty, there is a tremendous growth opportunity. I think this industrial park at the military base will do for Mineral County what the Tahoe-Reno Industrial Center has done for Storey County. They have that much upside potential. I wish Assemblyman Paul Anderson was here because one of the things that is unique is that because this is in an isolated spot, they did a bunch of drone research. Last session, that was his "pet" bill, and a bunch of that drone stuff is going on near Hawthorne because of the unique opportunity to use the military base.

I would encourage the Committee to give serious consideration to A.J.R. 11. I appreciate this opportunity. Many folks in Mineral County are hoping this happens, and it is very likely that it will. We will eliminate that uncertainty and their economic problems will begin to disappear. Thank you, and I appreciate your time.

[([Exhibit G](#)), ([Exhibit H](#)), ([Exhibit I](#)), and ([Exhibit J](#)) were submitted but not discussed.]

**Chairwoman Diaz:**

With that, we will close the hearing on A.J.R. 11 and will open up for public comment. Is there anyone wishing to provide public comment on anything other than the measures considered today? [There was no one.] We are adjourned [at 3:47 p.m.].

RESPECTFULLY SUBMITTED:

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Julianne King  
Recording Secretary

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Kailey Taylor  
Transcribing Secretary

APPROVED BY:

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Assemblywoman Olivia Diaz, Chairwoman

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



## EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is written testimony presented by Assemblyman Ira Hansen, Assembly District No. 32, regarding Assembly Joint Resolution 11.

[Exhibit D](#) is a document titled "Hawthorne, Mineral County Nevada and the Intermountain West Corridor I-11" by the Mineral County Regional Planning Commission, presented by Mark Nixon, Chairman, Mineral County Regional Planning Commission, regarding Assembly Joint Resolution 11.

[Exhibit E](#) is written testimony presented by Mac Potter, Corporate Vice President of Operations, Nevada Casino Holdings, LLC, in support of Assembly Joint Resolution 11.

[Exhibit F](#) is a list of entities in support of routing the I-11 corridor through Mineral County, regarding Assembly Joint Resolution 11, presented by Assemblyman Skip Daly, Assembly District No. 31.

[Exhibit G](#) is a map titled "Federal Highway Administration High-Priority Corridors," regarding Assembly Joint Resolution 11, submitted by Assemblyman Ira Hansen, Assembly District No. 32.

[Exhibit H](#) is a letter in support of Assembly Joint Resolution 11, dated March 29, 2017, submitted by Curtis Isom, Private Citizen, Hawthorne, Nevada.

[Exhibit I](#) is an email to Chairwoman Diaz and members of the Assembly Committee on Legislative Operations and Elections in support of Assembly Joint Resolution 11, dated March 29, 2017, from Glenn P. Carns, General Manager, El Capitan Lodge/Casino, Hawthorne, Nevada.

[Exhibit J](#) is an email to Chairwoman Diaz and members of the Assembly Committee on Legislative Operations and Elections in support of Assembly Joint Resolution 11, dated March 29, 2017, from Donna Glazier, Private Citizen, Hawthorne, Nevada.