

**MINUTES OF THE  
SENATE COMMITTEE ON GOVERNMENT AFFAIRS  
Seventy-ninth Session  
April 14, 2017**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 11:05 a.m. on Friday, April 14, 2017, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator David R. Parks, Chair  
Senator Mark A. Manendo, Vice Chair  
Senator Julia Ratti  
Senator Joseph P. Hardy  
Senator Pete Goicoechea

**GUEST LEGISLATORS PRESENT:**

Senator Nicole J. Cannizzaro, Senatorial District No. 6  
Senator Aaron D. Ford, Senatorial District No. 11  
Senator James A. Settelmeyer, Senatorial District No. 17  
Senator Pat Spearman, Senatorial District No. 1

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Policy Analyst  
Heidi Chlarson, Counsel  
Debi Szaro, Committee Secretary

**OTHERS PRESENT:**

Jane Lee, Chair, Nevada Commission on Minority Affairs  
Bruce H. Breslow, Director, Department of Business and Industry  
Lisa Figueroa, Chief Financial Officer, Department of Business and Industry  
Wes Henderson, Nevada League of Cities and Municipalities  
Richard Jost  
Jeff Fontaine, Nevada Association of Counties

Senate Committee on Government Affairs  
April 14, 2017  
Page 2

C.J. Manthe, Administrator, Housing Division, Department of Business and Industry  
Brian Reeder, Nevada Contractors Association  
Ira Victor, Infragard  
Randy Robison, CenturyLink  
Robert Ostrovsky, City of Las Vegas  
Joshua Hicks, McDonald Carano; Retail Association of Nevada; Nevada Trucking Association  
Helen Foley, Nevada Assisted Living Association  
Alisa Nave-Worth, Manufactured Home Community Owners  
Patrick Cates, Director, Department of Administration  
Marlene Lockard, Retired Public Employees of Nevada

CHAIR PARKS:

We have 2 bills to be heard and 24 bills to be considered under work session. Senate Bill (S.B.) 486 was granted a waiver so it will not be heard today.

**SENATE BILL 486:** Provides for collective bargaining by state employees.  
(BDR 23-1040)

Senate Bill 304 has been removed from the agenda per the requestor. I would like to open the hearing on Senate Bill 373.

**SENATE BILL 304:** Revises provisions governing public administrators.  
(BDR 20-1131)

**SENATE BILL 373:** Requires the appointment of a Minority Affairs Management Analyst in the Office of the Director of the Department of Business and Industry. (BDR 18-1108)

SENATOR AARON D. FORD (Senatorial District No. 11):

Senate Bill 373 will create a position within the Department of Business and Industry to provide support to the Nevada Commission on Minority Affairs. The Department of Business and Industry staffs the Commission of Minority Affairs and has other responsibilities to provide outreach and education to minority groups on consumer fraud. Nevada is lacking a robust system for collecting or analyzing data on racial disparities.

This bill creates a new position, Minority Affairs Management Analyst, in the Department of Business and Industry. Duties of the position will be to collect data, perform statistical analysis and investigate whether racial discrimination is occurring in public purchasing, public works contracts or other governmental functions. By collecting and analyzing data, we will help develop the baseline information we need as Legislators and as a State to assess and deal with issues related to racial discrimination. Instead of talking anecdotally or in generalities, we would begin to have data with which we could work.

JANE LEE (Chair, Nevada Commission on Minority Affairs):

The Nevada Commission on Minority Affairs advocates for the minority communities throughout the State. The Commission focuses its activities in education, health care, housing, workforce development, economic development, legislative and community liaisons. I have submitted my written testimony ([Exhibit C](#)).

BRUCE H. BRESLOW (Director, Department of Business and Industry):

The Commission has met for many years but has lost many members. They do have great ideas, but there is no one to memorialize them. The Commission has never had a staffer. This would give the Commission the opportunity to take its work, do research, have something going between meetings and deliver a better product. There is an available space in the office if this bill passes. There is a fiscal note for the Management Analyst position.

SENATOR HARDY:

On the fiscal note, there are personnel costs for a salary of \$62,000 for the first year and \$84,500 the second year. Is there a reason for that increase in salary?

MR. BRESLOW:

Our chief fiscal officer is behind this. I do not believe it is a raise, it is just how the budget was set up.

LISA FIGUEROA (Chief Financial Officer, Department of Business and Industry):

The first-year salary was based on a start date of October as opposed to a salary structure of 12 months. It is not a raise.

Senate Committee on Government Affairs  
April 14, 2017  
Page 4

CHAIR PARKS:

We are speaking of a year and three-quarters. Was there a submission of funds put into your budget for the position?

MS. FIGUEROA:

No. There are no funds earmarked for the position.

CHAIR PARKS:

You have space but no funds. Thank you.

SENATOR GOICOECHEA:

Will the fiscal note be referred to Finance?

MS. FIGUEROA:

Yes.

SENATOR FORD:

My wife, Berna Rhodes-Ford, is Vice Chair of the Commission. I wanted to mention that as full disclosure, but that has nothing to do with me sponsoring the bill. This is an important thing for us to do. I have heard complaints about the staffing issues dating back years.

CHAIR PARKS:

That concludes the hearing on Senate Bill 373. Do we have a recommendation?

SENATOR MANENDO MOVED TO DO PASS AND RE-REFER S.B. 373 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

I will now open the hearing on Senate Bill 5.

**SENATE BILL 5**: Revises provisions relating to the issuance of certain private activity bonds. (BDR 30-420)

WES HENDERSON (Nevada League of Cities and Municipalities):

I would like to discuss the proposed amendment to Senate Bill 5 ([Exhibit D](#)). The original intent was to guarantee that the Nevada Rural Housing Authority (NRHA) receive 10 percent of the annual bond cap to support their programs. The bill generated several fiscal notes, including \$60 million for the Department of Business and Industry. Director Breslow explained how mandating an allocation to NRHA would limit the State's ability to issue private activity bonds for other purposes, including economic development projects. We agree with that reasoning and then began looking at how other states allocate their private activity bonds.

RICHARD JOST:

I am an attorney with Fennemore Craig, and I will give the short version of what a private activity bond cap is. When the tax code was rewritten in 1986, one of the provisions was to limit the number of economic development bonds, tax-exempt economic development bonds that any state can issue, to a dollar amount that would be reset each year. Within each state, the state was allowed to create its own formula for how to divide the authority to issue tax-exempt debt.

The State followed the federal formula of dividing it 50/50 between State and local government issuers and created an advisory committee to advise the director of the then Department of Commerce, now the Department of Business and Industry, to determine how to make a further split of that authority to issue debt. Over the 30 years this requirement has existed, there have been years when there were extremely pitched battles over who should get what portion of that cap, and then there were years when the demand was much lower and it was difficult to find issuers that needed or wanted the cap. There is no federal dollar allocation. It is an allocation of the capacity by state and local governments to issue tax-exempt debt. The interest is exempt from federal income taxation in the hands of a bondholder.

SENATOR GOICOECHEA:

How are we presently setting the cap on how much will be referred?

MR. JOST:

We split the cap 50/50. Fifty percent of what is available to the State goes to state-level issuers, and 50 percent goes to local-government-level issuers. The 50 percent to local government issuers is further subdivided proportionately by

population. There are regulations adopted by the Department of Business and Industry (B&I) for a mechanism to transfer that cap between different issuers that may not have a need for it to other issuers that might have a greater need than the amount of the cap they have. The Director convenes that committee, the Special Committee to Provide Advice on Private Activity Bonds, periodically during the year to hear requests for allocations and requests for transfers.

SENATOR GOICOECHEA:

Do we already have a committee in place?

MR. JOST:

We have a mechanism in place. The amended bill changes the Special Committee from an advisory committee to a committee that would make final decisions that will be implemented by the Director. I do not see that the amended bill makes many changes to what is in place.

MR. HENDERSON:

Private activity bonds are tax-exempt bonds issued by state and local governments to finance certain private activities. I have submitted written testimony for your consideration ([Exhibit E](#)). Each year the IRS gives each state with a cap on the amount it can issue in private activity bonds. Nevada is authorized to issue a little more than \$300 million in private activity bonds annually.

SENATOR GOICOECHEA:

The original bill took 10 percent of the cap disbursed by the advisory committee that is presently in place?

MR. HENDERSON:

The original bill would have changed the current allocation to 45 percent to the State, 45 percent to local governments and 10 percent to NRHA.

SENATOR GOICOECHEA:

It is carved out, and the advisory committee would not have anything to do with how the 10 percent was used?

MR. HENDERSON:

That is correct, as long as the NRHA used it under the IRS provisions.

SENATOR GOICOECHEA:

You are proposing to reestablish the advisory committee and then the cap would be 50 percent for the State and 50 percent for local government. The advisory committee will determine how it will allocate any unused portion of the 50 percent from the State and the 50 percent from the local government?

MR. HENDERSON:

It is to be called the Special Committee on Private Activity Bonds ([Exhibit D](#)) and it would not be advisory. The Special Committee would have decision-making authority on unallocated portions that are returned by the local governments to the State without a resolution. If local governments do not use their entire bond cap, they may adopt a resolution asking that their unused portion be given to a certain project. The only authority the Special Committee would have is over the unused, unallocated portions of bond cap each year.

SENATOR GOICOECHEA:

My concern is that the State would probably try to dedicate all allocations to make sure there would not be an unused portion. This Special Committee could allocate unused portions anywhere, not just Nevada Rural Housing?

MR. HENDERSON:

That is correct. The Special Committee that we are suggesting in the amendment would be made up of four members of the Executive Branch: two local representatives, one from the League and one from the Nevada Association of Counties; and Governor Brian Sandoval shall appoint another person.

SENATOR GOICOECHEA:

In addition, is the director of the Special Committee the Director of the Department of Business and Industry?

MR. HENDERSON:

Yes, and the director would serve as the chair.

SENATOR GOICOECHEA:

I am concerned that people are going to hide money, move the shelf and commit it all because they do not want to refer the bonding authority to this Special Committee to have it go somewhere else.

MR. HENDERSON:

The IRS has requirements on the allocation of the bonding authority.

CHAIR PARKS:

In your amended version, where does the Rural Housing Authority get funding?

MR. HENDERSON:

There is no specific allocation for the Rural Housing Authority in the amended bill. They would receive their bonding authority the way they currently do. Most times, when a local government does not use all of its allocation, it will adopt a resolution requesting its unused portion go to the Nevada Rural Housing Authority. Historically, that is how Nevada Rural Housing has been getting its funding.

SENATOR HARDY:

Where does the Nevada Rural Housing Authority obtain funds now other than getting its money gratis from the local government that does not use all its bonding authority?

MR. HENDERSON:

I cannot answer that question, but there are members of the Nevada Rural Housing Authority who can.

JEFF FONTAINE (Nevada Association of Counties):

I have been on the advisory committee for ten years. The vast majority of the time it has provided recommendations to have the Director act on and concur with, including the current Director of B&I, Mr. Breslow.

The Nevada Association of Counties (NACO) believes it is time to make changes to the advisory committee. We support the amendment provided by the Nevada League of Cities and Municipalities. It will bring equal footing to all members of that committee, as well as greater transparency to the process which we believe is good government. We will be on par with the majority of the other states that use this process in allocating their bond cap.

SENATOR RATTI:

What is the problem that the bill is trying to solve? You have been on the committee a long time. I am still unclear as to what the problem is we are trying to solve.



MR. FONTAINE:

I have served on various advisory committees. When you have a program like this that allocates a lot of money, there are competing interests for that money. The members of the committee in the counties need to feel they have equal footing in the decision-making process. This is not disparaging any particular director. In general, we want to know that we can represent our communities and our constituencies on equal footing with the other members of this committee. Recommendations would be part of a more democratic process.

SENATOR RATTI:

The current advisory committee, how often does it meet? Does it get a quorum when it meets? Is there engaged participation?

MR. FONTAINE:

The committee meets twice a year and more often if needed. The meetings are well attended; if members cannot attend, they will send representatives.

MR. BRESLOW:

We are not talking about money. We are talking about the authority to issue bonds that the federal government gives the State based on the population. Last year the allocation was approximately \$300 million. Half of the allocation goes to cities and counties based on population, the rest goes to the Department of Business and Industry to use for economic development purposes.

The bond cap was exhausted in its entirety when the interest rates were high by power companies and gas companies. Because interest rates were high, it allowed a better cost of capital for them to use. A 25-year loan at a fixed rate is a better deal. When interest rates went back to nothing, like the last few years, very few people used revenue bonds. We did do a charter school bond.

The process is transparent. The allocation the State gets expires at the end of the year. The only caveat is if we transfer the allocation to a qualified housing agency, it gets another three years of life by the State. Without a meeting at the end of the year for any unused volume cap money, the money would expire. There is a meeting in December after we know all the projects that the cities, counties or developers want to do. The cities and counties send us resolutions, and we accept resolutions of what they want to do. Sometimes they offer to transfer it to the Housing Division, sometimes to the Nevada Rural Housing

Division, sometimes to the Director's Office. It is a public meeting and fully transparent.

*Nevada Revised Statutes* 348 on bonds is short. It allows the Director of Business and Industry to issue bond certificates for private activity bonds, industrial revenue bonds, charter school bonds, housing bonds. This bill requires the advisory committee to be a Special Committee to approve the bond request before I can issue the certificates. All bonds take time to develop as a bond package. We hire bond counsel or the Housing Divisions hire bond counsel or fiscal advisors. There are Tax Equity Fiscal Responsibility Act hearings and approval of the bonds by the State Board of Finance.

The level of scrutiny that goes into the issuance of a bond is by the defining board, the State Board of Finance. The Nevada Administrative Code (NAC) determines the members from of the advisory committee. The proposed changes remove two members from B&I most familiar with bond projects, the Deputy Director of Programs and the Administrator of the Housing Division. If it is the will of the people to change that, we can have a request, do a NAC workshop and look at those regulations to change the committee makeup, add people, remove people, without having to put it in statute.

This bill changes the Special Committee from an advisory committee to the Director of Business and Industry to making the Special Committee the ultimate decision-maker on the authority for bonds. We already have the Board of Finance to do that. The one thing stated earlier is that this is only for unused money at the end of the year. I beg to differ on section 2 of the amendment. It states the Director or a designee may make the required certification upon the approval of the Special Committee. That means on any bonds I have to do, I have to call a meeting of this Special Committee and get its approval. It is not just the transfer at the end of the year, it is for all bonds the way the amendment is written.

The system we have is public and transparent. Nevada Rural Housing did not request private activity bond money in 2014 or 2015. They did request money last year. All the cities and counties had resolutions to transfer money to Nevada Rural Housing and we did so. I added an extra \$28 million in volume cap to the rural allocation for \$60 million last year, but they did not request any of the volume cap the previous years.

SENATOR RATTI:

I am familiar with this money in terms of affordable housing. We have an affordable housing crisis in our State, so I am curious if there is anything in this that specifically affects our ability to continue to make progress on affordable housing.

MR. BRESLOW:

Yes, if it is used inappropriately. C.J. Manthe can answer the question better than I can.

C.J. MANTHE (Administrator, Housing Division, Department of Business and Industry):

The current process has been in place for 30 years, and it has been successful. The State, through its Housing Division, has financed over 2,300 units of affordable housing since 2010. This represents fully constructed units meeting the needs of Nevadans. We have concerns the change in law may impact the State's ability to carry out its affordable housing mission.

In District No. 7, we have Boulder Pines and Madison Palms. In District No. 21, there is Boulder Pointe, College Villas and Landsman Gardens. Vista Creek and Vintage are affordable housing developments in Laughlin. In District No. 13, we have Tarantino Apartments and Washoe Mills. These housing units represent about \$181 million worth of bonds that we financed since 2010. We have another 2,200 units in the pipeline representing either new construction or preserving the affordable housing that we have. The Housing Division also has homebuyer programs. We have been meeting the needs of low- and moderate-income families for 40 years. We help make those mortgages affordable for first-time homebuyers, veterans, teachers and other families starting over from the housing crisis.

We have helped 22,000 Silver State families to achieve that affordable mortgage with a lower mortgage rate or down payment assistance, which represents over a billion dollars of mortgages. The change in the language could jeopardize the State's ability to respond to affordable housing needs.

SENATOR GOICOECHEA:

We put this Special Committee in place that has approval or the yay or nay on how bonds will be distributed. It informs the Director this is how we would like to allocate, but the Board of Finance still has to approve it.

MR. BRESLOW:

It is an advisory committee now. That committee will direct how the money is spent. Unless other things are changed, then yes, there is another layer of government on top of that, which would be the Board of Finance. There would be two definitive boards: the Special Committee and the Board of Finance.

There is competing interest at the end when the spillover bond cap needs delegation. The Housing Division is a statewide housing agency that does projects and programs in rural areas as well as Nevada Rural. The Housing Division requested all of the leftover money last year. There is competition.

The advisory committee met, and Ms. Manthe and I recused ourselves. The advisory committee split two to two, so there were no recommendations. I did allocate \$60 million of volume cap to Nevada Rural. It was the entire volume cap from the rural area, approximately \$32 million; plus an additional \$28 million, the rest went to the Housing Division. The Housing Division money funds the Home is Possible Program which was awarded No. 1 in the entire Nation and No. 1 in the volume of affordable housing loans. The money is needed since that program is growing, but Nevada Rural's program is growing too, so they both want the money that is left over. The Housing Division also uses money for projects for multifamilies has programs for veterans and teachers, so there is competition between the Division and the Nevada Rural Housing Authority at the end of year.

Senator Ratti asked, "Could S.B. 5 affect affordable housing in Washoe County and Clark County?" The answer is yes. If all the money went to the Nevada Rural Housing Authority, none of it would have gone to the Housing Division. We try to split it up based on need, based on the allocation. Sometimes people are happy with the split, and sometimes they are unhappy.

SENATOR RATTI:

You say there is competition between the State and Nevada Rural Housing, but then there are the local governments. Does this allocation have to go to Nevada Rural Housing? It can go to other jurisdictions, correct?

MR. BRESLOW:

The first allocation goes to cities and counties, half of the total allocation which was \$150 million.

SENATOR RATTI:

So there is no decision there, it is just a formula?

MR. BRESLOW:

It is a formula. Unspent money at the end of the year not used by the cities or counties goes to the housing agencies if the Director's Office did not use the money for economic development. The unspent money is up for grabs by the housing agencies.

SENATOR RATTI:

Is that money that would only go to the State or Rural Housing? Those are the only two agencies?

MR. BRESLOW:

The Reno Housing Authority or Southern Nevada Regional Housing Authority could request funds.

SENATOR RATTI:

The amendment creates a Special Committee on the Private Activity Bonds that then puts interested parties that might be competing for that money on the Special Committee as well?

MR. BRESLOW:

We already have an advisory committee and it is just advisory. This amendment changes the Special Committee to a permanent decision-making body.

SENATOR RATTI:

It also changes the makeup.

MR. BRESLOW:

It changes the makeup by removing the Deputy Director of the Office of Business Finance and Planning and the Housing Administrator, adding someone from the Nevada System of Higher Education and a position that the Governor can choose but that cannot have an affiliation with housing.

My fear is that we spend the whole year working on bonds and know when the projects are coming. We have two meetings with the advisory committee per year. One meeting is to codify the State Demographer's split by population. The second meeting at the end of the year is to determine where any unused cap

goes. The change is the change in who votes. Nevada Rural was not happy it did not receive all of the money, so now we have a bill to change the advisory committee.

SENATOR RATTI:

I want to make sure I am tracking the right money. I believe this is the money in the City of Sparks. The bond cap is issued to Sparks. Then Sparks typically gives all the money back to the State with a request that it goes to the Rural Housing Authority, and that is the money it uses to implement programs in the City of Sparks. Is that the right money?

MR. BRESLOW:

Yes. In the December meeting, we accept the resolution of unspent money adopted by the City Council that then can use the resolution to direct the money to Nevada Rural Housing, the Housing Division or the Director of B&I.

SENATOR GOICOECHEA:

I am not in favor of creating another level of bureaucracy, especially mandatory bureaucracy. This bill puts the League of Cities and NACO on this board, but local government already has the ability by resolution to defer its piece of the bonding to where it wants to send it, correct?

MR. BRESLOW:

The League of Cities and NACO are already on the advisory committee. The amendment makes the Special Committee the permanent decision-maker rather than the Director of the Department of Business and Industry.

SENATOR GOICOECHEA:

The county cannot take its piece of the bond that is set by population but could in fact, by resolution to you, say it wants to commit this money to whatever authority it wants to?

MR. BRESLOW:

Yes, it can, and the counties submit these resolutions every time.

SENATOR RATTI:

This is one of those bills that I am sad we are hearing on the last day. There is work required to get the bill passed. The description of the Housing Division as a competitor within the process is interesting, and it is great there were recusals

from the process. I can understand the one point of view that we need to have a more level playing field. My personal experience with this program while serving on the City of Sparks City Council was that it was working well and we were happy. I am concerned about fixing something that is not broken. With that, I would vote yes to keep it alive so conversations could continue, but then ask for it to go on the desk almost immediately because I have concerns about fixing something that is not broken.

CHAIR PARKS:

I will close the hearing on Senate Bill 5.

SENATOR RATTI:

Does it have a fiscal note?

CHAIR PARKS:

Ms. Ruedy stated that the bill is eligible for exemption should we wish to proceed forward with it. We could pick it up at the end of our work session too.

SENATOR RATTI:

I would make a motion to do pass and re-refer to the Senate Committee on Finance.

CHAIR PARKS:

That will keep the issue alive.

SENATOR MANENDO:

I second. I am not sure the bill is automatically exempt if it does not have a fiscal note.

CHAIR PARKS:

There is a fiscal note on the original bill.

SENATOR RATTI MOVED TO DO PASS AND RE-REFER S.B. 5 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR MANENDO SECONDED THE MOTION.

Senate Committee on Government Affairs  
April 14, 2017  
Page 16

SENATOR GOICOECHEA:

I do not like the amended bill. I do not like the original bill. I know what the intent is, but I will be voting no.

THE MOTION CARRIED. (SENATORS GOICOECHEA AND HARDY VOTED NO).

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CHAIR PARKS:

I will open the work session with Senate Bill 67.

**SENATE BILL 67**: Revises provisions relating to fire safety requirements for multi-story buildings occupied by people. (BDR 42-412)

JENNIFER RUEDY (Policy Analyst):

Senate Bill 67 was heard by the Committee on March 13. I will explain the provisions of S.B. 67 as contained in the the work session document ([Exhibit F](#)).

CHAIR PARKS:

Senator Manendo was required to attend the Judiciary Committee meeting. I will skip over Senate Bill 67 and proceed forward to Senate Bill 182.

**SENATE BILL 182**: Revises certain fees charged by sheriffs and constables. (BDR 20-607)

MS. RUEDY:

Senate Bill 182 was heard by the Committee on February 22. I will explain the provisions of S.B. 182 as contained in the work session document ([Exhibit G](#)).

CHAIR PARKS:

The bottom line on this bill is we are trying to make the fee structure uniform in justice court or in the constable's office or in the sheriff's civil division.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 182.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.



Senate Committee on Government Affairs  
April 14, 2017  
Page 17

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CHAIR PARKS:

The next bill in the work session is Senate Bill 183.

**SENATE BILL 183**: Makes the provisions of the Local Government Budget and Finance Act applicable to housing authorities. (BDR 31-616)

MS. RUEDY:

SENATE BILL 183 amends the definition of local government so the Local Government Budget and Finance Act applies to all housing authorities. I will explain the provisions of S.B. 183 as contained in the work session document ([Exhibit H](#)).

SENATOR GOICOECHEA:

In reviewing the amendment in [Exhibit H](#), it has deleted the 100,000.

CHAIR PARKS:

It would be applicable to the counties with a population over 700,000.

SENATOR GOICOECHEA:

So the makeup of this Regional Housing Authority would be specific to Clark County, Las Vegas, North Las Vegas, Henderson and those cities?

CHAIR PARKS:

That is correct. Southern Nevada has a Regional Housing Authority that combines those cities and Clark County. This bill would put members of the city councils and the Clark County Commission on the board of that Authority.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 183.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

The next bill is Senate Bill 188.

**SENATE BILL 188**: Revises provisions prohibiting certain discriminatory acts.  
(BDR 18-106)

Ms. RUEDY:

Senate Bill 188 was heard by the Committee on March 31. I will explain the provisions of S.B. 188 as contained in the work session document ([Exhibit I](#)).

CHAIR PARKS:

This bill received unanimous approval in the last Session but did not survive in the Assembly, so it was brought back from last Session. This was simply a cleanup bill.

SENATOR HARDY MOVED TO DO PASS S.B. 188.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

The next bill is Senate Bill 250.

**SENATE BILL 250**: Revises the certification requirements for constables in certain townships. (BDR 20-947)

Ms. RUEDY:

Senate Bill 250 was heard by the Committee on March 27. I will explain the provisions of S.B. 250 as contained in the work session document ([Exhibit J](#)).

CHAIR PARKS:

My understanding is that this is a consensus amendment, [Exhibit J](#), on the part of all individuals who had expressed concern or opposition. In general, from the bottom of the first page, section 1, subsection 2 through subsection 3, is the area in the bill that clarifies the problems.

SENATOR GOICOECHEA:

I am in favor of constables being POST-certified, but I will support this if it is a consensus amendment. I know it was a narrow focus.

Senate Committee on Government Affairs  
April 14, 2017  
Page 19

CHAIR PARKS:

Yes, it is and I know this Committee entertained an amendment in the 2011 or 2013 Session, which was not far from what we are doing here today.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 250.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

The next bill is Senate Bill 282.

**SENATE BILL 282**: Revises provisions relating to peace officers. (BDR 23-539)

Ms. RUEDY:

Senate Bill 282 was heard by the Committee on April 5. I will explain the provisions of S.B. 282 as contained in the work session document ([Exhibit K](#)).

CHAIR PARKS:

There was discussion on this bill and although not a full consensus, there was an agreement among the parties.

SENATOR MANENDO MOVED TO AMEND AND DO PASS AS AMENDED S.B. 282.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Senate Committee on Government Affairs  
April 14, 2017  
Page 20

CHAIR PARKS:

Senate Bill 304 was next but has been withdrawn.

**SENATE BILL 304**: Revises provisions governing public administrators. (BDR 20-1131)

Senate Bill 314 is next.

**SENATE BILL 314**: Revises provisions related to the installation of certain systems for obtaining wind energy. (BDR 22-482)

MS. RUEDY:

Senate Bill 314 was heard by the Committee on March 29 and April 5. I will explain the provisions of S.B. 314 as contained in the work session document ([Exhibit L](#)).

CHAIR PARKS:

We have had a lot of discussion on this bill and the proposed amendment sponsored by Clark County, [Exhibit L](#), to have general support from all local governments. It appears there is concern with Proposed Amendment 3504. Are the two amendments compatible or do they compete?

HEIDI CHLARSON (Counsel):

The Committee could decide to accept both amendments and Legal will be able to combine them in a way that makes it work, if that is what the Committee decides to do.

CHAIR PARKS:

I particularly like the added language proposed by Clark County that indicates a system is compatible with the character of the area. As far as the acreage goes, that was a much lesser concern to me.

SENATOR HARDY:

Looking at the acreage, sometimes flags, windmills and other things make noise. We try to protect people from someone else's flag or windmill or whatever. We never try to protect them from the flag, but the amendments are compatible with the ambiance of the neighborhood. If you have 100 acres, you can pretty well put in a windmill and be appropriate for the neighborhood.

Senate Committee on Government Affairs  
April 14, 2017  
Page 21

CHAIR PARKS:

When I was on the Paradise Town Advisory Board, there was a flag deemed inappropriate because of the noise it made on a windy day.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 314.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR PARKS:

Senate Bill 317 is next in the work session.

**SENATE BILL 317**: Revises provisions relating to preferences in bidding for certain contracts for businesses based in this State. (BDR 27-936)

MS. RUEDY:

Senate Bill 317 was heard on March 22. I will explain the provisions of S.B. 317 as contained in the work session document ([Exhibit M](#)).

SENATOR NICOLE J. CANNIZZARO (Senatorial District No. 6):

The conceptual amendments in [Exhibit M](#) were a result of conversations with the interested parties. It is something being worked on, but there are concerns on the actual workings of how this will come out. We are still working on the bill and believe there is a similar bill coming over from the Assembly. It is our intent to work to merge both bills into one.

SENATOR GOICOECHEA:

In section 3 of the bill, at least 50 percent of the workers will be Nevada residents, which is a low percentage that may need to be addressed. At this time, I cannot support it but look forward to your work.

CHAIR PARKS:

I do have a note provided from the Nevada Contractors Association. It was one of the groups you were working with. The Association asked if it could make a brief statement. With your permission, may it do that?

Senate Committee on Government Affairs  
April 14, 2017  
Page 22

SENATOR CANNIZZARO:

Yes. The Nevada Contractors Association is one of the parties I have been working with on this bill. I am happy to allow any statements it may have.

BRIAN REEDER (Nevada Contractors Association):

We would like the record to reflect the ongoing dialogue with the sponsor of the bill. We have questions about the level of preference in the conceptual amendment and concerns about the automatic debarment for failing to file a quarterly affidavit, but we are working with sponsor as the bill moves forward.

CHAIR PARKS:

I have a question for both parties. Do you plan to present a Floor amendment on this bill before we ship it off to the Assembly?

SENATOR CANNIZZARO:

If we can get to a Floor amendment that would work for everyone and would work out these conceptual and additional concerns, we would be happy to do that if we could get to that point. Absolutely.

SENATOR HARDY:

I am going to help motivate them by voting no and look forward to voting yes on the Floor.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 317.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS GOICOECHEA AND HARDY VOTED NO).

CHAIR PARKS:

That takes us to Senate Bill 395.

**SENATE BILL 395:** Makes various changes relating to the cybersecurity of critical infrastructure. (BDR 19-794)

MS. RUEDY:

Senate Bill 395 is Senator Pat Spearman's bill. Senator Spearman provided a conceptual amendment that is in your work session document ([Exhibit N](#)).

SENATOR PAT SPEARMAN (Senatorial District No. 1):

We looked at the objections of the parties that were here a few days ago and tried to make the bill more palatable so it would pass. I have an expert to explain the amendment.

IRA VICTOR (Infragard):

We have constructed an opt-in. The language in NRS 603A states that entities in Nevada that have certain sensitive information can opt in to standards like the National Institute of Standards and Technology. When they opt in following those standards or something similar, they then enjoy a protection from certain types of legal damages and legal liabilities—not all of them. But the idea is to have an incentive to protect and encrypt data, which is already in NRS 603A, and it works quite well.

We have taken the same framework and applied it to critical infrastructure. Those entities that meet the general guidelines of critical infrastructure that follow the mandates from the National Institute of Standards and Technology or federal mandates or similar provisions will enjoy some protections from litigation from damages except gross negligence. For other damages we give them a level playing field. Those entities that follow the standards as an incentive are not at a competitive disadvantage. If they choose not to or delay following the standards, they take the risk in court but not through a commission or submitting reports. It is a carrot-and-stick approach. It has worked well with other types of sensitive data, and our group thinks it works well in the case of critical infrastructure.

Finally, another element added in the preamble is that we want to encourage programs that do workforce development and teach young people about information security, privacy and coding. Washoe County has a very successful program like that. We are going to work with the Senator to expand that program into southern Nevada. The structure of this bill provides an incentive for planning. It keeps everyone vigilant, and that vigilance is important when protecting critical infrastructure and fighting cybercrime.

Senate Committee on Government Affairs  
April 14, 2017  
Page 24

SENATOR SPEARMAN:

We worked very hard with Reggie Richardson. All the parties have now come together and we feel this is going to be the best avenue to accomplish the goals we were looking to accomplish.

RANDY ROBISON (CenturyLink):

We were aware of this amendment earlier today. Without seeing the final language, I cannot say yes, but it does address all of the concerns that we had, to the extent that I can say something without saying something.

CHAIR PARKS:

What we will be acting on is conceptual in nature. I am sure the author of the bill will reach out to other interested parties as it goes forward.

MR. VICTOR:

We spoke with members representing Cox Cable and the Nevada Manufacturers Association about this. Another element is in workforce development. In the preamble, there is a portion for teaching young people about information security and privacy and expanding that program here in Nevada.

SENATOR GOICOECHEA:

There was a tremendous amount of opposition testimony. I will vote no until I see the amendment; I reserve the right to change my vote on the Floor.

SENATOR SPEARMAN:

Mr. Victor stated there was a letter sent to the Committee. He spoke to the people the letter represented, so I have no problem with it. I can speak with Senator Goicoechea before the Floor session.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 395.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS GOICOECHEA AND HARDY  
VOTED NO).

\* \* \* \* \*



Senate Committee on Government Affairs  
April 14, 2017  
Page 25

CHAIR PARKS:

The next bill in the work session is Senate Bill 67. It is my understanding that there was no consensus and the sponsor of the bill is requesting that this bill be withdrawn. It would be helpful if a representative from the City of Las Vegas would put the withdraw request on the record. I would appreciate it. In the meantime, the next bill is Senate Bill 400.

**SENATE BILL 400**: Authorizes the Director of the Department of Health and Human Services to enter into success contracts. (BDR 18-310)

MS. RUEDY:

Senate Bill 400 was heard on April 12. I will explain the provision of S.B. 400 as contained in the work session document ([Exhibit O](#)). There was one fiscal note with zero impact and no amendments.

SENATOR HARDY MOVED TO DO PASS S.B. 400.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Chair Parks:

I would like to go back to Senate Bill 67.

ROBERT OSTROVSKY (City of Las Vegas):

After further discussions with the stakeholders involved in this bill, the determination was that it would be in the interest of all the parties if we withdraw Senate Bill 67 from consideration. The parties have agreed to work together, not necessarily during Session but in the Interim. We would all like to get to a better place that satisfies the fire departments, the representatives of the firefighters and local governments. We will continue to work together, and I would like to be back to see you in the future with a resolution on this issue. We would like to ask for a withdrawal.

CHAIR PARKS:

Thank you, Mr. Ostrovsky. Senate Bill 67 has been withdrawn. The next bill in the work session is Senate Bill 411.

Senate Committee on Government Affairs  
April 14, 2017  
Page 26

**SENATE BILL 411**: Authorizes a local government to establish a program for the managed care of feral cat colonies. (BDR 20-11)

Ms. RUEDY:

Senate Bill 411 was heard on April 12. I will explain the provisions of S.B. 411 as contained in the work session document ([Exhibit P](#)). This bill has an amendment that deletes all the provisions but those for the release of a feral cat that has been provided care and treatment in accordance with the program for the managed care of feral cat colonies that does not constitute abandonment.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 411.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR PARKS:

The next bill for consideration is Senate Bill 413.

**SENATE BILL 413**: Establishes "Public Lands Day" in the State of Nevada.  
(BDR 19-772)

Ms. RUEDY:

Senate Bill 413 was heard on April 10. It establishes the last Saturday in September of each year as Public Lands Day in the State of Nevada and requires the Governor to issue annually a proclamation encouraging the observance of public land, which is further explained in the work session document ([Exhibit Q](#)).

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 413.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Senate Committee on Government Affairs  
April 14, 2017  
Page 27

CHAIR PARKS:

The next bill in the work session is Senate Bill 429.

**SENATE BILL 429**: Establishes provisions relating to urban agriculture. (BDR 22-1078)

Ms. RUEDY:

Senate Bill 429 was heard on April 10. I will explain the provisions of S.B. 429 as contained in the work session document ([Exhibit R](#)).

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 429.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR PARKS:

The next bill in the work session is Senate Bill 434.

**SENATE BILL 434**: Requires certain city attorneys to be appointed rather than elected. (BDR S-1046)

Ms. RUEDY:

Senate Bill 434 was heard on April 3. I will explain the provisions of S.B. 434 as contained in the work session document ([Exhibit S](#)).

SENATOR GOICOECHEA:

I had conversations with my colleague in the north. I would have preferred this would have come through their Charter Committee. I will be opposing the bill until they sponsor it through their Charter Committee. If this is what they want, they should go through the process.

SENATOR MANENDO MOVED TO DO PASS S.B. 434.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS GOICOECHEA AND HARDY VOTED NO.)

\* \* \* \* \*

The next bill in the work session is Senate Bill 462.

**SENATE BILL 462**: Authorizes a board of county commissioners to create a committee to review general improvement districts. (BDR 20-496)

MS. RUEDY:

Senate Bill 462 was heard on March 27. I will explain the provisions of S.B. 462 as contained in the work session document ([Exhibit T](#)).

CHAIR PARKS:

This is something a county commission could do on its own. I like the fact that there is a sunset provision if it does not turn out to be productive, allowing it be dispensed in short order.

SENATOR RATTI:

Did this bill get to the point that the general improvement district (GID) has to take a vote to share its opinion? I have a question to Senator Goicoechea, do we have a similar bill on GIDs or am I confusing it with this bill?

SENATOR GOICOECHEA:

Those bills you may be referring to are S.B. 127 and S.B. 128 and were completely different. The body, as long as there was a quorum, could refuse to be disbanded or appointed, rather than elected, but S.B. 462 is completely different.

**SENATE BILL 127**: Revises provisions relating to the election of members of certain local governing bodies. (BDR 20-786)

**SENATE BILL 128 (1st Reprint)**: Revises provisions relating to the requirements to levy taxes to support districts for county fire departments. (BDR 20-454)

Chair Parks remarked that a board of county commissioners could do this on their own. I do not know that a board of county commissioners could request a Senator and an Assemblyman to be part of a committee unless they chose to

be. This mandates it. Senator James Settelmeyer and Assemblyman Jim Wheeler will have to sit on that committee as well.

SENATOR RATTI:

Perhaps it is a question for legal. Is it the existing law that says that they have the ability to say we do not want to be disbanded, and this then changes that?

SENATOR JAMES A. SETTELMAYER (Senatorial District No. 17):

I believe you are referring to existing law which establishes that if a county was to indicate that an NRS 318 general improvement district were to go away, that the district could go out and get 51 percent of the property owners by letter to say no, we do not want to go away. This is a section of *Nevada Revised Statutes* that is not affected by Senate Bill 462, Senate Bill 471 or Senator Goicoechea's bills, Senate Bill 127 or Senate Bill 128.

**SENATE BILL 471**: Revises provisions related to improvement districts. (BDR 25-495)

SENATOR RATTI:

In this process, if it goes through the sunset commission process and the county commission decides it is going to dissolve the general improvement district, does that general improvement district have the ability to do the 50 percent provision?

SENATOR SETTELMAYER:  
Correct.

SENATOR RATTI:

My concern was it only gave the general improvement district 30 days. Thirty days for a board to vote is reasonable, but 30 days for a group of people to do a petition and get to 51 percent seems unreasonable.

SENATOR SETTELMAYER:

If there is a 30-day requirement, I am not familiar with a time requirement for a request that the general improvement district be dissolved or how long they would have to get a petition done. This bill does not affect existing law.

That existing law would have nothing to do with S.B. 462 or S.B. 471. If there is a time requirement, you may want to find that section of law and insert it into the bill as an amendment to give the county more time.

I am not sure there is a 30-day rule. I would be willing to work with you on an amendment in the future or even on the Floor, if you would like to have that discussion.

SENATOR RATTI:

That is my recollection of the testimony.

SENATOR GOICOECHEA:

*Nevada Revised Statutes* 318 referring to GIDs says it takes 51 percent of the property owners to form it and 51 percent of property owners to disband it. Technically, a board of county commissioners does not have the say up or down on it. It is the property right holders who make up the vote in that general improvement district.

SENATOR SETTELMAYER:

This is a separate issue from this bill, but I am willing to work with Senator Ratti on figuring out her concerns and plug it in somewhere on the fly if necessary.

SENATOR RATTI:

To move this along, I would hope legal counsel could assist me to remember which piece I am remembering. I am willing to vote in favor today and then withhold my right to change on the Floor to move this along.

MS. CHARLSON:

I can provide Senator Ratti with additional information about the process for dissolving, consolidating or merging a general improvement district. This bill provides a mechanism for the board of county commissioners to form a committee to evaluate the GIDs, but it does not do anything to amend the existing statutory process that is in place. If a committee formed and a committee decided a particular GID needs to be merged, consolidated or dissolved, the county commission would still have to look to the provisions of NRS 318 and follow those provisions to do the dissolution, merger or consolidation.

SENATOR RATTI:

Thank you for the clarification. I agree with Senator Goicoechea. I believe all this bill does is allow for the appointment of Senator Settlemeyer and Assemblyman Wheeler to participate in the process. The practical result may be more recommendations coming to this Committee looking to dissolve or merge GIDs. That does make me want to look at the other section to see how we do that and if it is a fair process.

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 462.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR PARKS:

The next bill in the work session is Senate Bill 463.

**SENATE BILL 463**: Revises provisions relating to business license fees.  
(BDR 31-93)

MS. RUEDY:

Senate Bill 463 was heard by the Committee on April 3. I will explain the provisions of S.B. 463 as contained in the work session document ([Exhibit U](#)). We received a few amendments and need clarification on which to consider: the Proposed Amendment 3831, [Exhibit U](#), in the work session document, the one proposed this morning ([Exhibit V](#)) or both.

JOSH HICKS (McDonald Carano; Retail Association of Nevada; Nevada Trucking Association):

The documents are a result of trying to get this into a more manageable place. Please consider the amendment received by you this morning, which is the second proposed amendment to S.B. 463, [Exhibit V](#). Please disregard the prior submissions. The second proposed amendment only amends subsection 3 of *Nevada Revised Statutes* 354.5989.

Senate Committee on Government Affairs  
April 14, 2017  
Page 32

SENATOR RATTI:

There are a couple of local governments I represent in the north that have heartburn over this bill. I am willing to move the bill forward but would need to have further conversation before I can comfortably vote for it on the Floor. Can you confirm that subsection 4 has been removed from the amendment?

MR. HICKS:

Yes, subsection 4 was removed. It would remain in the statute as it is now. That section allows a local government to go to the Nevada Tax Commission to exceed the existing Consumer Price Index limit. That would remain unchanged.

MS. CHLARSON:

I need clarification, Mr. Hicks. The bill as introduced has a new subsection 4. Will that subsection also be taken out, pursuant to the amendment, and then the only thing left of the bill is your second amendment?

MR. HICKS:

That is correct. The only thing left is the second amendment.

CHAIR PARKS:

We have an understanding here.

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS  
AMENDED S.B. 463.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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The next bill in the work session is Senate Bill 471.

MS. RUEDY:

Senate Bill 471 was heard by the Committee on April 3. I will explain the provisions of S.B. 471 as contained in the work session document ([Exhibit W](#)).



SENATOR GOICOECHEA:

I am concerned with talk about annual revenues of more than a \$1 million; does that have the chance to impact another general improvement district somewhere else in the State?

SENATOR SETTELMAYER:

The million dollars is in reference to the County's comfort with the concept of losing the ability to dissolve the general improvement district in NRS 318. Within the bill, the process to dissolve a GID is not easy if sewer, trash or water utilities are involved and the vote of the people is required as a protection. The concern was that the bill was broad. The million dollars was chosen based on the concept that it is not a question of smaller GIDs—we have smaller GIDs in all counties that may not need that type of protection. If a district's revenue is over a million dollars a year, the ability to dissolve the GID is not easy.

SENATOR GOICOECHEA:

There are GIDs that will generate a million dollars in revenue. The bill only extends a protection to them rather than including them into something that was lesser.

SENATOR RATTI:

This is all tied into the same issue. When we had the hearing the first time, I was not sure distinguishing between smaller and larger was necessarily the right way to go. I will vote yes and look forward to a couple of conversations afterwards because it plays into whether 30 days are enough for smaller GIDs.

SENATOR SETTELMAYER:

I look forward to the discussions about whether a vote should be based on property ownership or voters in the last election or how it should be determined.

SENATOR RATTI:

I will vote yes to move it along.

SENATOR GOICOECHEA:

I was responding to the sidebar that Senator Settelmeyer and Senator Ratti had going. You want to be careful when talking about dissolving an NRS 318 GID because of the mechanism that formed it was 51 percent of the property. It will be hard to move away from that as you deal with NRS 318 because that is what incorporated or formed the GID originally, 51 percent of the property

owners. If you move the mechanism to voters or something else, you can run afoul of the creation of some districts. There are a lot of them in the State.

SENATOR RATTI:

Just to be clear, I am not necessarily advocating for changing from the 50 percent plus 1 percent of property owners, my concern is the timeline that they have to be able to execute their opposition.

CHAIR PARKS:

My concern deals with the merger. We are not taking anything out that affords a special improvement district from having its 51 percent majority, so there is nothing there. We are not looking at what may be considered a hostile takeover?

SENATOR SETTELMAYER:

No. This bill specifically deals with the concept of Douglas County Sewer District No. 1, which is the only existing NRS 309 district in the State wishing to become a special act just as the 21 other special acts in Nevada, like Truckee Meadows Water Authority, trying to go to that branch. This is not a hostile takeover at all.

In reviewing the concepts of NRS 309, it became apparent the written language is vague and is causing many problems. We are trying to convert it to a more functioning realm. Also, that one NRS 309 district has lost most of its people. Many people have secondary homes, and it is impossible to find people who live in District No. 1 to serve on that NRS 309 Board. It seeks to allow the individuals who truly are using the District No. 1 309 services in Tahoe—which are the other GIDs that are putting the bulk of the water and waste through them to make the decisions and bring more local control to the Tahoe Basin and to Tahoe voters in that respect, retaining the ability of those within Tahoe to govern their own future.

CHAIR PARKS:

I have reservations and look forward to a Floor amendment on this bill further clarifying the language.

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 471.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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The next bill in the work session is Senate Bill 477.

**SENATE BILL 477**: Enacts provisions relating to residential establishments for persons with disabilities. (BDR 22-146)

MS. RUEDY:

Senate Bill 477 was heard by the Committee on April 5. I will explain the provisions of S.B. 477 as contained in the work session document ([Exhibit X](#)).

CHAIR PARKS:

In section 15, I saw a change from a home where two disabled individuals live to three disabled and was curious what the reasoning was for increasing it from two to three.

HELEN FOLEY (Nevada Assisted Living Association):

Residential facilities for groups are from three to ten. If someone has two senior citizens in the home, that person is not required to have the fire sprinkler systems. Three seemed to be the line of demarcation.

The other change made in the bill was about the sprinkler system. I worked closely with Clark County and the City of Las Vegas to reach consensus on the amendments. The City was concerned that we put in a specific requirement of a 13R residential sprinkler system. They thought that at times it might be a 13D or some other 13 type. We wanted to make sure the bill stated a residential sprinkler system rather than a commercial, so we compromised on the language to say residential sprinkler system. We are happy with the amendment and hope you are as well.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 477.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR PARKS:

The next bill in the work session is Senate Bill 500.

**SENATE BILL 500**: Revises provisions relating to the Housing Division of the Department of Business and Industry. (BDR 18-909)

Ms. RUEDY:

Senate Bill 500 was heard on April 5. I will explain the provisions of S.B. 500 as contained in the work session document ([Exhibit Y](#)).

ALISA NAVE-WORTH (Manufactured Home Community Owners):

There are two concepts: the Community Owners feel that they would be better suited if the fees remain in statute as they have historically. Over the course of the last few years, the subsidy has been an overallocated administrative expense to a significant high dollar amount. Those dollars on behalf of the community owners are meant to help those who are in need. Instead, the fees are paying for the administrative costs of the agency. At some point, it is necessary for the Legislature to intervene and limit the amount of dollars for a fund meant for good and not for administrative costs unassociated with the administration of the fund.

CHAIR PARKS:

My question is for legal counsel, are the two amendments conflicting amendments?

Ms. CHLARSON:

The amendment from Brownstein Hyatt Farber Schreck came in late, and I have not had the opportunity to look at it. It does look like it does not conflict. If the Committee decides to accept both, we will look at that when we draft the amendment.

CHAIR PARKS:

It is important to note that this bill is certainly one we need to consider in light of actions that have been reviewed but not finalized by our Senate Finance Committee. I suggest we refer the bill to the Senate Committee on Finance, so

it is consistent with the other activities they are considering relative to the budget.

SENATOR HARDY:

I am interested if the amendments are compatible with the people at the table?

MS. NAVE-WORTH:

We understand there will be a discussion with the Housing Division due to the exempt status of this bill associated with the budget. We have been working with the Division before the Session began and had a meeting at 11:00 a.m. for today, but it has been rescheduled. We look forward to the working relationship going forward and throughout the process.

SENATOR HARDY:

And the Division?

MS. MANTHE:

I will echo that we have been working together and did not have a chance to talk about the proposed amendment. This is the first time we saw the proposed percentage for the cap, so we would like to have the ability to discuss this in detail.

SENATOR MANENDO:

In reviewing the amendment, that keeps the merger in place?

MS. NAVE-WORTH:

The amendment is silent as to the merger. The amendment speaks directly to the statutory fees and the cap on the subsidy fund.

SENATOR MANENDO:

Does the industry support the merger because it supports this amendment?

MS. NAVE-WORTH:

The industry is agnostic as to the merger, although there is clearly some concern about how it is treated in a combined division. There is specific concern about the management of how the industry is cast in the Finance hearing. There was testimony from the Division about why the merger is necessary because the industry was not properly funding the subsidy program. That is not true. There is concern about how the subsidy program is going to be treated and

whether it is a way to assess more fees to the industry it probably cannot assume to pass through to support administrative debt duties. The same concern is reflected in the amendment regarding keeping the fee in statute because if the industry wants to change the fees, it has to come to this Legislative Body rather than doing something through a regulatory process.

SENATOR MANENDO:

Looking over your amendment, I do not see any issues with where you are trying to go. I have an issue with the merger. I am not sure where the Chair wants to go. I would support a motion with the amendment but stripping out the merger; if not, I have to vote against the bill.

CHAIR PARKS:

I am not certain where it is going to go. I know that in the Finance Committee we have received presentations on the desire to merge the two agencies. I admit I do share your concern as to the merger and the impact it will have on the residents and manufactured housing. Senator Ratti, do you have a comment you wish to make?

SENATOR RATTI:

I have respect for my colleagues and their history on this issue, knowing that the vast majority of manufactured housing is in both of their districts. I heard you say you are agnostic on the merger and still in communication. I do not want to kill the bill if there is opportunity for good communication that would benefit the manufactured housing industry because you will get more statutory protections over a fee structure that you care about. If there is a comfort level, that can allow for efficiency.

You would like to decrease the fee that goes to administration and the Department of Business and Industry is saying we can reduce administrative costs if we can be more efficient. I would love to see a future state where the Manufactured Housing Division and the Department of Business and Industry folks can come in and say we are comfortable with this new organizational structure because it will make us more efficient, which means more of the fees can go to the people who need the help in my colleagues' districts.

I will be open to keep it alive to allow that conversation to happen, fully understanding the two Senators who represent most folks have serious

concerns. I like the idea for a good solution to come forward. That is where I am, but I will defer to Senator Manendo and Senator Parks.

SENATOR MANENDO:

The third piece of the puzzle is the homeowners who are never included in the conversations. The little bit that the Division has reached out to the residents is minimal and in the eleventh hour, which is offensive. I know in June or July we had conversations about having a meeting but never received a call until Session started. I still have the voice mail that said we are going forward with it and have a good day. I am voting no.

CHAIR PARKS:

You are voting no?

SENATOR MANENDO:

Yes, I am voting no unless you remove the merger.

CHAIR PARKS:

I believe that removing the merger will remove the exemption.

MS. RUEDY:

I saw a second to the motion, but I was not sure what the motion was. If the motion is a re-refer without making any amendments to Finance, one clarification is this bill is not exempt. It is eligible to be exempt. It will not be exempt until it moves to Finance which would trigger the exemption. If it does not have the provisions that make it eligible, I am not sure it will become exempt. If you take out all the provisions that made it eligible and then pass it, is it still eligible?

CHAIR PARKS:

I support sending it to Finance. I also think we as a Body should support the draft amendment presented by Brownstein Hyatt Farber Schreck.

SENATOR GOICOECHEA:

I was hoping Senator Ratti restates or withdraws her motion, and we will proceed.

SENATOR RATTI:

I do not believe I made a motion; however, I will make a motion as the Chair said, to re-refer to Finance with no policy position because I think then it will become part of the budget discussion. I reserve the right to change my vote.

CHAIR PARKS:

Senator Ratti, are you doing a re-refer or an amendment and re-refer to Finance?

SENATOR RATTI:

My understanding is if I amend and re-refer, we are taking a position on the bill. Could the amendment be added in Finance? My motion is to re-refer to Finance.

SENATOR RATTI MOVED TO RE-REFER S.B. 500 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR MANENDO VOTED NO.)

\* \* \* \* \*

The next bill in the work session is Senate Bill 502.

**SENATE BILL 502**: Makes various changes relating to the Public Employees' Benefits Program and the Public Employees' Deferred Compensation Program. (BDR 18-979)

MS. RUEDY:

Senate Bill 502 was heard on April 10. I will explain the provisions of S.B. 502 as contained in the work session document ([Exhibit Z](#)).

CHAIR PARKS:

If the participants who have worked on this bill would come to the table. My understanding is that it is a consensus bill.

PATRICK CATES (Director, Department of Administration):

The conceptual amendment for this workshop does represent a consensus view between myself and the stakeholders for this bill. I am happy we have reached



an agreement on all the terms. Do you want me to walk you through the amendment?

CHAIR PARKS:

If you could hit on the major points, that would be helpful.

MR. CATES:

Fundamentally, the difference from the original bill is it keeps the authority of both of the Boards for the programs no longer advisory. It does have the Director of Administration appointing the officer for the Deferred Compensation Program but not for the Public Employees' Benefits Program (PEBP). The PEBP Executive Officer would pretty much stay as is. Another point of contention we had was over the quality control officer. In the original bill, we were seeking to remove the Board's authority over that position. We have reached a consensus that the position would report to the Director of Administration. There are changes to the composition of the Board and qualifications of the Board members.

MARLENE LOCKARD (Retired Public Employees of Nevada):

This amendment adds an additional appointee from the Nevada System of Higher Education. It retains and restores the second retiree appointment and gives a permanent seat on the Board to the Director of Administration. We eliminated some obsolete requirements and beefed up the insurance and industry experience requirements for the Board. We improved the purchasing components for these Boards in this amendment.

CHAIR PARKS:

There may be one issue dealing with line 27, page 4 of the amendment. Is it correct there will be 4 to 9 members?

MS. LOCKARD:

It is back to ten members.

CHAIR PARKS:

Back to ten, okay, that is a technical adjustment.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 502.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR PARKS:

The next bill is Senate Bill 417, which has a waiver.

**SENATE BILL 417**: Provides for the establishment of programs to encourage tenants of housing projects to save money for certain purposes. (BDR 25-836)

SENATOR MANENDO:

The bill does need to go to Finance so if you want to move it to Finance so it can be queued for the Finance Committee, I am sure Senator Spearman will be happy with that too.

CHAIR PARKS:

Is that okay, Ms. Chlarson?

SENATOR GOICOECHEA:

Is this the one we had concern about whether income had to be considered for eligibility and had some gray areas as far as what was legal and what was not?

CHAIR PARKS:

I believe the bill did have various criteria for the tenants and had the need to establish the trust fund that would retain the funds.

SENATOR GOICOECHEA:

There was also an exemption in the bill that stated the funds put in the escrow accounts did not have to be included in income for eligibility. It is fine, we are referring this bill to Finance and we will ask those questions there.

CHAIR PARKS:

Perhaps Ms. Chlarson could offer advice.

Ms. CHLARSON:

In reviewing the bill as introduced, both sections 2 and 3 of the bill provide, to the extent authorized by federal law, these things can occur. If there are

specific issues with federal law, then federal law will trump this. This does not authorize a housing authority to violate federal law.

SENATOR GOICOECHEA:

We also had questions and discussed the access to the money that was in the escrow account and if a person moved out of state, would that person be able to access it. I was hoping to see some amendments on the bill regarding the access of that money in the escrow account. It is getting re-referred to Finance, we will ask the question there.

MS. RUEDY:

The bill is not eligible for exemption as of now, but it is waived from the deadlines. That is different from eligible, but still.

CHAIR PARKS:

We know it has a waiver. The question is do we want to work on it more in this Committee or do we want to send it to Senate Finance where I am sure we will need to look at creating the account and establishing it. As Senator Goicoechea indicates, there may be some legal constraints facing this bill.

SENATOR RATTI:

Do you have a preference?

CHAIR PARKS:

Since I am on the Finance Committee, I will get to work on it again regardless. My preference would be to move it to Finance.

SENATOR MANENDO MOVED TO RE-REFER S.B. 417 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR PARKS:

That concludes our work session.

Senate Committee on Government Affairs  
April 14, 2017  
Page 44

SENATOR MANENDO:

For the record, I want to make it clear that my “no” on Senate Bill 500 is a “no” because I am against the merger of the Manufactured Housing Division with the Department of Business and Industry Housing Division. That policy is horrible. We have debated it for a long time. It is not something that is going to be beneficial to the residents who have skin in the game because they live in manufactured homes. I understand there will be further discussions in the Finance Committee regarding issues the park owners have but for me, I just could not vote to do that.

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Senate Committee on Government Affairs  
April 14, 2017  
Page 45

CHAIR PARKS:

I certainly share your concerns and find it interesting that usually the residents or tenants are in sharp contrast to the facility owners, but on this issue we find them both aligned in their opposition. I will adjourn the hearing at 2:46 p.m.

RESPECTFULLY SUBMITTED:

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Debi Szaro,  
Committee Secretary

APPROVED BY:

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Senator David R. Parks, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit / # of pages</b>		<b>Witness / Entity</b>	<b>Description</b>
	A	3		Agenda
	B	7		Attendance Roster
S.B. 373	C	2	Jane Lee / Nevada Commission on Minority Affairs	Written Testimony
S.B. 5	D	3	Wes Henderson / Nevada League of Cities and Municipalities	Proposed Amendment
S.B. 5	E	3	Wes Henderson / Nevada League of Cities and Municipalities	Written Testimony in support
S.B. 67	F	3	Jennifer Ruedy	Work Session Document
S.B. 182	G	1	Jennifer Ruedy	Work Session Document
S.B. 183	H	5	Jennifer Ruedy	Work Session Document
S.B. 188	I	1	Jennifer Ruedy	Work Session Document
S.B. 250	J	4	Jennifer Ruedy	Work Session Document
S.B. 282	K	4	Jennifer Ruedy	Work Session Document
S.B. 314	L	5	Jennifer Ruedy	Work Session Document
S.B. 317	M	2	Jennifer Ruedy	Work Session Document
S.B. 395	N	2	Jennifer Ruedy	Work Session Document
S.B. 400	O	1	Jennifer Ruedy	Work Session Document
S.B. 411	P	7	Jennifer Ruedy	Work Session Document
S.B. 413	Q	3	Jennifer Ruedy	Work Session Document
S.B. 429	R	2	Jennifer Ruedy	Work Session Document
S.B. 434	S	1	Jennifer Ruedy	Work Session Document
S.B. 462	T	4	Jennifer Ruedy	Work Session Document
S.B. 463	U	4	Jennifer Ruedy	Work Session Document

S.B. 463	V	1	Josh Hicks / McDonald Carano; Retail Association of Nevada; Nevada Trucking Association	Proposed Amendment
S.B. 471	W	5	Jennifer Ruedy	Work Session Document
S.B. 477	X	15	Jennifer Ruedy	Work Session Document
S.B. 500	Y	10	Jennifer Ruedy	Work Session Document
S.B. 502	Z	16	Jennifer Ruedy	Work Session Document