

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

**Eightieth Session  
May 30, 2019**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 4:16 p.m. on Thursday, May 30, 2019, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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 Melanie Scheible, Vice Chair  
Senator James Ohrenschall  
Senator Ben Kieckhefer  
Senator Pete Goicoechea

**GUEST LEGISLATORS PRESENT:**

Assemblywoman Teresa Benitez-Thompson, Assembly District No. 27  
Assemblyman Al Kramer, Assembly District No. 40  
Assemblywoman Sarah Peters, Assembly District No. 24

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Committee Policy Analyst  
Heidi Chlarson, Committee Counsel  
Becky Archer, Committee Secretary

**OTHERS PRESENT:**

Wes Henderson, Executive Director, Nevada League of Cities and Municipalities  
Mendy Elliott, Nevada Rural Housing Authority; Nevada Housing Coalition  
Michael Brown, Director, Department of Business and Industry  
Terry Reynolds, Deputy Director of Administration, Department of Business and Industry

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Stephen Aichroth, Administrator, Housing Division, Department of Business and  
Industry  
Peggy Lear Bowen

CHAIR PARKS:

We will open the hearing on Assembly Bill (A.B.) 476.

**ASSEMBLY BILL 476 (2nd Reprint)**: Revises provisions concerning affordable  
housing. (BDR 25-1119)

ASSEMBLYWOMAN TERESA BENITEZ-THOMPSON (Assembly District No. 27):

This bill is cosponsored by Assemblyman Al Kramer and Assemblywoman  
Sarah Peters.

Assembly Bill 476 does two things. The bill reestablishes the Advisory  
Committee on Housing and creates the Private Activity Bond Council.

Section 1 of the bill reestablishes the Advisory Committee. The Advisory  
Committee on Housing lived in statute until last Session. The Committee was  
formed because throughout the decades, since 1975, the Legislature had  
ad hoc committees addressing housing crises in various shapes and forms,  
whether it was lack of affordable housing—which has been a consistent  
theme—or the housing crises with foreclosures during the Great Recession. The  
Legislature has had a committee of some sort, whether it was Interim or not,  
discussing these issues.

The Advisory Committee on Housing was recommended to be abolished by the  
Legislative Commission's Sunset Subcommittee. This Legislative Body  
understood and agreed with the recommendation when it passed unanimously  
out of the Assembly and the Senate last Session. What this Body did not realize  
was how much the State would need a place for ongoing conversations about  
affordable housing.

This bill reestablishes the Advisory Committee with a few tweaks to ensure this  
Body has the best working committee possible. The bill provides the Committee  
with the authority of one bill draft. Nothing compels a quorum or good  
conversation better from Interim committees than knowing the committee can  
turn their efforts into a bill draft. This is similar to what the Legislature did last  
Session with the Regional Behavioral Health Policy Board in giving it a bill draft.

The Legislature observed diligent work from the Behavioral Health Board. Providing the authority to request a bill draft creates a group of stakeholders with a voice and a vehicle to bring issues of concern to the Legislative Body. The Committee will vet the issues by working through the process and narrowing down the needs the Committee recommends to the one most important need represented in the bill draft request (BDR). The BDR will be a useful tool.

Section 3 of the bill creates the Private Activity Bond Council. The Special Committee to Provide Advice on Private Activity Bonds exists by regulation. This bill will bring the Bonds Committee into *Nevada Revised Statutes* and change its composition by adding a Legislator to the renamed Council. The Advisory Committee on Housing will come up with recommendations which will go to the Private Activity Bond Council. The Advisory Committee will talk about the policy issues while the Bond Council will address the money issues with its bonding capacity.

ASSEMBLYMAN AL KRAMER (Assembly District No. 40):

Private activity bonds are a major influence in increasing the stock of affordable homes in Nevada. The bonds are important. The two committees are emphasizing the availability of affordable housing in the State as well as where the best locations and projects would be. It is a competitive process getting the best projects for the private activity bonds going forward.

This is a \$300 million-plus adventure, and 50 percent is allocated by these two groups, the Council and the Committee. This is how the State can influence the quality of affordable housing coming in to Nevada.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

The State gets an allocation of private activity bonds. The amount is dependent on our population. The State receives 50 percent of the total allocation and the remaining is awarded to the counties.

SENATOR KIECKHEFER:

The Private Activity Bond Council is currently a regulation, and this bill copies it into statute. The bill does not seem to be changing the Bond Council's authority a whole lot at this point. Is that correct?

ASSEMBLYWOMAN BENITEZ-THOMPSON:

That is correct. The Private Activity Bonds Committee is covered in chapter 348A.280 of the *Nevada Administrative Code*. The Committee is a special committee to provide advice on private activity bonds. The composition in the regulation is similar in a lot of ways to how this bill moves it into statute. The biggest change is adding a Senator and an Assembly person to the Bond Council. This bill leaves the authority to ultimately make the final decisions with the Director of Business and Industry. That is why it is called a bond council.

WES HENDERSON (Executive Director, Nevada League of Cities and Municipalities):  
We support A.B. 476 and thank the sponsors for bringing this bill forward. Affordable housing is not only an issue for our members but always for the National League of Cities as well. This year, the president of the National League of Cities created a task force on affordable housing. We appreciate bringing this body back, and the changes to the Private Activity Bond Council are an improvement. I serve on the current Advisory Committee. The makeup of this proposed Council is more robust and will generate different viewpoints.

MENDY ELLIOTT (Nevada Rural Housing Authority; Nevada Housing Coalition):  
We appreciate the efforts of Assemblywoman Benitez-Thompson, Assemblywoman Peters and Assemblyman Kramer on this bill. The \$300 million-plus in tax credits which are issued by the Internal Revenue Service to the State are a precious commodity with a multitude of uses. The Advisory Committee on Housing in partnership and in tandem with the Private Activity Bond Council will ensure these investments are prudent, and more importantly, will provide a road map for the State.

Bringing the brightest minds together will help create a bright future for the State as it relates to affordable housing and industrial development revenue bonds. A discussion is needed among all the end users of the best investment in how these tax credits can be leveraged.

I am excited that the State will have legislative representation on the Bond Council. The representation will provide insight on how these tax credits are being utilized. I urge your passage today.

MICHAEL BROWN (Director, Department of Business and Industry)

I am providing supportive neutral testimony. The issue regarding the abolishment of the Advisory Committee on Housing was flagged during the Interim. The Administration looked at it while being educated by Sarah Adler and Eric Novak on this issue. It was decided it would be helpful to restore the Committee given the complexity of the issues and the dynamics which are happening in the State. The housing challenge is unique, rural and urban. The challenge in rural areas is unique because of different circumstances in places like Elko County versus Mineral County. The Governor's Office has indicated that I could signal support for this initiative.

The idea of adding Legislators to the Private Activity Bond Council will be extremely helpful because the issues are complicated, as found in this Session. It will be helpful to have two Legislators' perspectives as the issues are brought forward. This perspective will provide continuity between the sessions given that the Legislature is part-time. The Administration is appreciative this bill came forward as a bipartisan effort by the Majority Leader and Assemblyman Kramer. I look forward to chairing a committee that has Legislators, which will be a unique experience.

TERRY REYNOLDS (Deputy Director of Administration, Department of Business and Industry):

I thank the sponsors for bringing this bill forward and for working with us on the membership of the two advisory boards. The advisory boards go into the details of projects, the allocation of funds and the carryover of any allocations. If the allocation is not used in the calendar year, a form must be filed with IRS to carry it over. The funds can be carried over for three years and used during that time, but its use must be specified. The good part about this bill is the State will have a group of individuals knowledgeable about the State's needs relating to housing and able to make intelligent decisions as to the carryover of those funds.

The State now has up to \$318 million in bonds coming into the State. The State passed the point of the minimum allocation by IRS of volume cap or authorization to issue bonds against the authorization volume cap. That means approximately \$157 million goes to the local communities and \$157 million goes to the State. The State often partners between the two entities to be able to maximize those dollars to make sure the State or local entity can complete a project, either a housing project or an economic development project.

Most of the money goes to housing. The State carries over funds for housing. The State has had banner projects including Fulcrum Bioenergy's Sierra BioFuels which is turning garbage into jet fuel and is an outstanding project. Another industrial revenue bond project is the Cheltenham House plant in North Las Vegas which makes tomato-based sauces.

Housing projects are also completed with industrial revenue bonds. It is a matter of stacking the different resources the State is allowed to use for low-income housing and moderate-income housing to be able to get the best bang for its buck.

That scenario is also true for the rural areas. The State works with Nevada Rural Housing to make sure the State is able to meet the housing needs in the rural areas.

It is a team effort putting together projects to provide the best housing and economic development within the State.

STEPHEN AICHROTH (Administrator, Housing Division, Department of Business and Industry):

We thank the sponsors for putting the bill together. This bill will advance the cause and discussions of affordable housing. We look forward to the reformation of the Advisory Committee.

CHAIR PARKS:

There is a fiscal note on the bill. The Assembly Ways and Means Committee heard and processed a do pass as amended action on this bill. Has the fiscal note been resolved?

ASSEMBLYWOMAN BENITEZ-THOMPSON:

There is a fiscal note on the bill. Resources will need to be available to support this bill. The Assembly made the affirmative support out of the Assembly, but I imagine this bill will land in Senate Finance. I apologize. I am misspeaking. The money is going to come out of different funding. Mr. Reynolds will explain.

MR. REYNOLDS:

There is a fiscal note for this bill. The biennium total is \$165,906. That money is not coming out of the General Fund. It comes out of the State's bond fund. The State collects fees from people who do bonds and for the transfer of

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monies for the bonds. The bond fund is up to about \$1.2 million. The State is in good shape in terms of being able to fund the cost of this initiative.

The funding request is for a program officer position who will work with the Committee and provide the technical support to the Bond Council. In addition, there are travel expenses and normal types of expenditures.

MR. BROWN:

In addition to these programs helping the Governor's objective of helping working class families, it also fulfills the objective of bringing more transparency to these areas with the Advisory Committee and the infusion of legislative talent into the Private Activity Bond Council.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

I appreciate your support of A.B. 476.

SENATOR KIECKHEFER MOVED TO DO PASS A.B. 476.

SENATOR SCHEIBLE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

We will start the work session with A.B. 44.

**ASSEMBLY BILL 44**: Enacts provisions relating to the administration of the Stewart Indian School land and facilities. (BDR 18-188)

JENNIFER RUEDY (Committee Policy Analyst):

I will summarize A.B. 44 from the work session document ([Exhibit C](#)).

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 44.

SENATOR SCHEIBLE SECONDED THE MOTION.

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SENATOR GOICOECHEA:

Has the fiscal note been taken care of on this bill? The fiscal note is a sizable amount.

CHAIR PARKS:

I do not know whether the fiscal note was resolved. The other possibility is this bill gets picked up by the Senate Finance Committee to decide.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

We will move to A.B. 264 in the work session.

**ASSEMBLY BILL 264 (2nd Reprint)**: Makes various changes relating to relations between State agencies and Indian nations or tribes. (BDR 18-671)

MS. RUEDY:

I will summarize A.B. 264 in the work session document ([Exhibit D](#)).

CHAIR PARKS:

This bill has a fiscal note to be addressed by the Senate Finance Committee.

ASSEMBLYWOMAN SARAH PETERS (Assembly District No. 24):

We worked this bill through the Ways and Means Committee in the Assembly. The fiscal notes have been removed by every agency. Fiscal notes are no longer involved.

SENATOR SCHEIBLE MOVED TO DO PASS A.B. 264.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

The next bill in the work session is A.B. 297.



**ASSEMBLY BILL 297 (2nd Reprint)**: Revises provisions governing fire safety equipment. (BDR 42-1051)

Ms. RUEDY:

I will summarize A.B. 297 from the work session document ([Exhibit E](#)).

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 297.

SENATOR SCHEIBLE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR KIECKHEFER VOTED NO.)

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CHAIR PARKS:

We are moving to A.B. 383 in the work session.

**ASSEMBLY BILL 383 (2nd Reprint)**: Provides for the designation of a Student Loan Ombudsman. (BDR 18-880)

Ms. RUEDY:

I will summarize A.B. 383 in the work session document ([Exhibit F](#)).

SENATOR SCHEIBLE:

I received a message from the sponsor, Assemblyman Howard Watts. All fiscal notes have been removed.

SENATOR SCHEIBLE MOVED TO DO PASS A.B. 383.

SENATOR OHRENSCHALL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

The next bill in the work session is A.B. 466.

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**ASSEMBLY BILL 466 (1st Reprint)**: Requires the creation of a pilot program to facilitate certain financial transactions relating to marijuana. (BDR 18-870)

Ms. RUEDY:

I will summarize A.B. 466 from the work session document ([Exhibit G](#)).

SENATOR OHRENSCHALL:

On April 9, I disclosed on the Senate Floor a conflict with certain bills due to my wife's employment. Due to that conflict, I am disclosing and abstaining my vote on this bill.

SENATOR SCHEIBLE:

I have been notified that the fiscal note has been removed.

SENATOR SCHEIBLE MOVED TO DO PASS A.B. 466.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR OHRENSCHALL ABSTAINED FOR THE VOTE.)

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PEGGY LEAR BOWEN:

I thank you for all your hard work and caring and doing the right thing because it is the right thing to do. You are awesome for making the State the greatest state in the Union. Go Nevada!

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CHAIR PARKS:

The Senate Committee on Government Affairs is adjourned at 4:51 p.m.

RESPECTFULLY SUBMITTED:

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Becky Archer,  
Committee Secretary

APPROVED BY:

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Senator David R. Parks, Chair

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

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	2		Attendance Roster
A.B. 44	C	1	Jennifer Ruedy	Work Session Document
A.B. 264	D	1	Jennifer Ruedy	Work Session Document
A.B. 297	E	1	Jennifer Ruedy	Work Session Document
A.B. 383	F	1	Jennifer Ruedy	Work Session Document
A.B. 466	G	1	Jennifer Ruedy	Work Session Document