

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

**Eightieth Session  
April 24, 2019**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 1:03 p.m. on Wednesday, April 24, 2019, in Room 2149 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 Melanie Scheible, Vice Chair  
Senator James Ohrenschall  
Senator Ben Kieckhefer  
Senator Pete Goicoechea

**GUEST LEGISLATORS PRESENT:**

Assemblyman Greg Smith, Assembly District No. 30

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Committee Policy Analyst  
Heidi Chlarson, Committee Counsel  
Suzanne Efford, Committee Secretary

**OTHERS PRESENT:**

John Sande, Tahoe-Douglas Visitor's Authority  
Michael Alonso, Caesars Entertainment  
Kristina Swallow, Director, Department of Transportation  
Robert Nellis, Assistant Director, Administration, Department of Transportation  
Vinson Guthreau, Deputy Director, Nevada Association of Counties  
Jim French, Chair, Board of Commissioners, Humboldt County

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CHAIR PARKS:

I will open the hearing on Assembly Bill (A.B.) 98.

**ASSEMBLY BILL 98**: Revises provisions relating to the convention center to be planned, constructed and operated by the Tahoe-Douglas Visitor's Authority. (BDR S-440)

ASSEMBLYMAN GREG SMITH (Assembly District No. 30):

This bill came out of the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System. The Tahoe-Douglas Visitor's Authority (TDVA) is authorized to build a convention center in the Tahoe Township. This bill clarifies that the convention center may be used for other events in addition to conventions. Section 1 of the bill adds the words "multiuse event" to section 26, subsection 5, paragraph (b) of the Tahoe-Douglas Visitor's Authority Act.

JOHN SANDE (Tahoe-Douglas Visitor's Authority):

Statute allows the TDVA to build and operate a convention center in south Tahoe. This Committee has already considered legislation to create the funding mechanism for the planned events center. However, the planned convention center is really a multiuse events center that would be able to host concerts, live events and other similar gatherings. In addition to establishing a funding mechanism for the construction of the facility, we felt it was important to clarify in law that the TDVA has the ability to manage a multipurpose events center.

The center will improve the offerings of south Tahoe and help the economic revitalization happening there, especially in light of the fact that Indian gaming in California has taken business from south Tahoe. This will benefit the region.

CHAIR PARKS:

This legislation was considered and recommended by the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency.

SENATOR GOICOECHEA:

What would you be doing in this events center that you would not do in a normal convention center setting?

MR. SANDE:

Traditional convention centers such as those in Reno and Las Vegas host conventions. This is more of an events center. The events center would host events such as concerts and indoor festivals. The center would be particularly important for utilization in the winter. Tahoe has become known for its outdoor concert venue in the summer. This center would allow skiers and resorts to host entertainment events in the winter.

SENATOR GOICOECHEA:

I am surprised that the convention center designation would not cover those types of events. I guess it is better to be safe than sorry.

CHAIR PARKS:

"Convention center" may carry a certain connotation. Other activities will take place in the facility in addition to just conventions. What is the status of the design and capacity of the facility?

MR. SANDE:

Some preliminary design work has been completed. Some renderings and plans have been created. The bulk of the work has been placed on hold until the funding mechanism is approved.

CHAIR PARKS:

If it passes, Senate Bill (S.B.) 461, the bill which provides the funding mechanism for the project, would become effective on July 1.

**SENATE BILL 461 (1st Reprint)**: Revises provisions governing the Tahoe-Douglas Visitor's Authority. (BDR S-733)

MICHAEL ALONSO (Caesars Entertainment):

Caesars Entertainment supports A.B. 98 and S.B. 461. Caesars Entertainment owns and operates Harrah's Lake Tahoe and Harveys Lake Tahoe.

CHAIR PARKS:

I will close the hearing on A.B. 98 and open the hearing on A.B. 7.

**ASSEMBLY BILL 7**: Revises provisions governing contracts with independent contractors executed by the Department of Transportation. (BDR 27-364)

KRISTINA SWALLOW (Director, Department of Transportation):

This bill clarifies the contract approval authority possessed by the Department of Transportation (NDOT) Board of Directors and puts into statute our current practices.

ROBERT NELLIS (Assistant Director, Administration, Department of Transportation):

Assembly Bill 7 is needed to limit misinterpretation of *Nevada Revised Statutes* (NRS) 333, the statute regarding the types of contracts subject to approval by the NDOT Board and the contracts subject to approval by the State Board of Examiners (BOE). *Nevada Revised Statutes* 333.700 leaves the definition of which projects constitute a contract for construction or reconstruction of a highway open for periodic debate. Assembly Bill 7 proposes to delete the potentially confusing language in NRS 333.700.

For nearly 60 years, NDOT has followed the practice of not submitting to the BOE contracts previously approved by the NDOT Board. This practice was affirmed by Attorneys General in 1983 and 1996 and will be codified upon passage of Assembly Bill 7.

SENATOR SCHEIBLE:

Section 1, subsection 8, paragraph (a) explains that NDOT must still submit contracts which are subject to NRS 333.705 or NRS 408.353. What contracts are subject to those sections of NRS?

MR. NELLIS:

Under NRS 333.705, we would still be required to take to the BOE any contracts which involve a former or current employee of NDOT. With NRS 408.353, we would additionally be required to take to the BOE any contracts that may involve a sitting member of the NDOT Board or a member of the NDOT Director's Office.

CHAIR PARKS:

I will close the hearing on A.B. 7 and open the hearing for A.B. 21.

**ASSEMBLY BILL 21**: Authorizes a board of county commissioners in certain counties to appoint members of certain local governing boards under certain circumstances. (BDR 20-484)

VINSON GUTHREAU (Deputy Director, Nevada Association of Counties):

This bill will provide a solution regarding some elected governing boards which have unfilled positions. Some county districts which manage important public assets cannot meet the requirements for a quorum. The areas governed by these districts have small populations without a sufficient number of individuals to run for seats on the boards. These boards are essentially no longer able to govern, and critical public infrastructure goes without local oversight.

In Nye County, there are six county boards which cannot function. I have submitted a list of some of the boards which remain unfilled ([Exhibit C](#)) in Nye County and in Humboldt County. The bill allows certain local governing boards and districts with unfilled seats to request that the corresponding board of county commissioners vote to make membership on the board by appointment rather than by election. Assembly Bill 21 only applies to counties with populations of less than 100,000.

JIM FRENCH (Chair, Board of Commissioners, Humboldt County):

The Humboldt County Board of Commissioners supports A.B. 21. Humboldt County has several general improvement districts (GIDs) and other special districts in small communities north of Winnemucca. Some of those communities have populations of less than 30.

An unforeseen consequence of the institution of term limits was that rural GIDs and special districts were eventually not going to have enough people to run for elected seats on the governing boards. We have 15 boards in Humboldt County. Seven of these boards are being administered by the Humboldt County Commission because the membership of the boards has fallen below the number required for a quorum. Without sufficient members for a quorum, the boards are unable to conduct business.

We did not anticipate having to create utility districts within the County to service small communities such as McDermitt, Paradise Valley and Denio. We did not anticipate needing to hire additional personnel out of Winnemucca to provide services in such communities.

We have found that losing the local board results in a loss of the connection to the people who are being served. When the boards disbanded, we lost much of the institutional history, such as the location of water and sewer mains. Many of the people termed out of the boards had been present when the

infrastructure systems were built. County-based administrators do not have the same knowledge as local community members.

It has become difficult for us to provide services in a timely manner. For example, when water stops flowing in the McDermitt GID, the person who has to take the service call is living in Winnemucca, 74 miles away. The cost of administering these long-distance services has been borne by the rest of the County taxpayers. It is becoming a problem for the Commission to move forward with administering those services.

SENATOR GOICOECHEA:

This is a good bill. I sponsored similar legislation in 2017. We passed my bill out of this Committee, but it failed to pass in the Assembly.

SENATOR SCHEIBLE:

Was consideration given to a system wherein elections are held for competitive seats and people are appointed only as a result of a vacancy?

MR. GUTHREAU:

The bill had to be drafted a certain way for legal purposes. The language in A.B. 21 is how it had to be done. We could not just appoint one seat and have some elected.

HEIDI CHLARSON (Committee Counsel):

Part of the intent of this was to get around the issue of term limits. Under statute, there is a process for an appointment to be made to fill a vacancy on an elected board. However, everyone elected or appointed to an elected body is subject to term limits. Providing counties the option to make the entire board appointed alleviates concerns about term limits.

SENATOR OHRENSCHALL:

Will appointed board members serve at the pleasure of the county commission? How would you remove a member who lost interest or was not fulfilling his or her duties? An elected officer might be subject to a recall election, but what recourse is available for an appointed board member?

MR. FRENCH:

The appointed officials would serve at the pleasure of the county commission. As long as the board maintained a functioning quorum, the commission would

not be involved with appointing empty seats. The commission would only be involved if the board membership fell below the status of an active quorum. The bill allows the board to ask the commission to reverse its decision and return the board to an elected format. If a sufficient number of people want to run for office, the county commission could reverse its decision and go back to an elected board.

MR. GUTHREAU:

Section 1, subsection 4 of the bill actually lays out the process whereby the county commission could revert the board to an elected format.

SENATOR SCHEIBLE:

I am concerned that this bill might reduce competition, keep out newcomers or skirt term limits. I want to make sure this is actually addressing a problem where people are not stepping up to run for boards and not just allowing the same entrenched interests to continue holding seats in local government, seats women and people of color have had trouble obtaining.

MR. FRENCH:

I shared similar concerns with the Humboldt County Commission when the idea was proposed. I expressed the need to craft this legislation in such a way as to not limit the ability for local folks to step up or for new members of the community to become leaders. We are only interested in moving forward with this change after those boards drop below a legal quorum and can no longer act. In these situations, the county commission has to do the business of the board. If new people gain an interest in running for office, we ask for the ability to reverse the original decision to change the board to appointed membership.

This issue did not come up until about four or five years ago when we saw the fifth or sixth GID be disbanded, requiring the Humboldt County Commission to do the business of the GID. We realized that we did not have anyone who was willing to step up. Most of the small GIDs are from communities such as Denio, which has fewer than 25 people. After term limits, these communities simply do not have the population to fill the boards.

SENATOR GOICOECHEA:

To illustrate this issue, the GID for the McDermitt water system is a five-member board. All of the members of the board are now termed out. There are only ten people in the community; five are termed out, and the five who are

not termed out do not want to serve. This is a common scenario in the rural areas of Nevada.

MR. FRENCH:

To add to Senator Goicoechea's story about McDermitt, once the board members were termed out, we lost the institutional history of the water system. There were some significant issues with the water system, but we did not know where the water mains were. Without an infusion of folks who have an interest in serving the community, this simply will not work.

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CHAIR PARKS:

About 30 years ago, I spoke with a community member in Searchlight. I asked him why he did not want to serve on the town advisory board. His response was, "I want to remain friends with my neighbors." Similar sentiments may play a role in the problem as well.

We have received a letter in support of A.B. 21 from Rex Steninger, Chair of the Elko County Board of Commissioners ([Exhibit D](#)).

I will close the hearing on A.B. 21. The meeting is adjourned at 1:31 p.m.

RESPECTFULLY SUBMITTED:

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Steven Jamieson,  
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	1		Agenda
	B	3		Attendance Roster
A.B. 21	C	3	Vinson Guthreau / Nevada Association of Counties	Unfilled Positions on Rural County Boards
A.B. 21	D	1	Elko County Board of Commissioners	Rex Steninger Letter in Support