

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Eighty-First Session
February 12, 2021**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 9:03 a.m. on Friday, February 12, 2021, Online. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chair
Assemblywoman Selena Torres, Vice Chair
Assemblywoman Natha C. Anderson
Assemblywoman Annie Black
Assemblywoman Tracy Brown-May
Assemblywoman Venicia Considine
Assemblywoman Jill Dickman
Assemblywoman Bea Duran
Assemblyman John Ellison
Assemblywoman Susie Martinez
Assemblyman Andy Matthews
Assemblyman Richard McArthur
Assemblywoman Clara Thomas

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Erin Sturdivant, Committee Counsel
Judith Bishop, Committee Manager
Kyla Beecher, Committee Secretary
Cheryl Williams, Committee Assistant



OTHERS PRESENT:

Wesley Harper, Executive Director, Nevada League of Cities and Municipalities
Randy Robison, Deputy Director, Government Affairs, City of Las Vegas
Jorge Cervantes, City Manager, City of Las Vegas
Olivia Diaz, Councilwoman, Ward 3, City of Las Vegas
Calli Wilsey, Senior Management Analyst, Intergovernmental Relations, City of Reno
Jeff Borchardt, Planning Manager, City of Reno
Jamie Rodriguez, Government Affairs Manager, Washoe County
Vinson Guthreau, Deputy Director, Nevada Association of Counties
Dan Morgan, Chief Executive Officer, Builders Association of Northern Nevada; and representing Nevada Home Builders Association
Matthew Walker, representing Southern Nevada Home Builders Association
Mike Cathcart, Business Operations Manager, City of Henderson
Jim McIntosh, Chief Financial Officer, City of Henderson

Chair Flores:

[Roll was called. The Chair reviewed Committee rules and protocol.] We have two presentations for today, followed by two bill hearings. We are going to take the agenda in the order it appears to allow the City of Las Vegas to get squared away.

I would like to open the presentation by the Nevada League of Cities and Municipalities.

Wesley Harper, Executive Director, Nevada League of Cities and Municipalities:

Thank you for providing us the time to present to you. The Nevada League of Cities and Municipalities was incorporated in 1959 [page 2, [Exhibit C](#)] as the Nevada Municipal Association. The name was changed to the Nevada League of Cities and Municipalities in 1997 to reflect the varying natures of the municipal governments in our membership. Our membership is open to all incorporated cities, unincorporated towns, general and special improvement districts, and other municipalities.

Currently, we have 24 members [page 3]. We represent each municipality in Nevada except for North Las Vegas. We are governed by a board of directors. The board of directors is made up of an elected official from each of our cities and municipalities.

A list of our members is here [page 4]; there are names we all recognize and know.

Our executive officers [page 5] for this calendar year are President Kristopher Dahir, councilman from the City of Sparks; Vice President Cedric Crear, councilman from the City of Las Vegas; Secretary/Treasurer John Sheridan, trustee from Gardnerville Ranchos general improvement district; and Immediate Past President and Public Official of the Year, Daniel Corona, mayor of the City of West Wendover. The executive officers occupy four positions of our executive board.

We have seven total positions. Our at-large members are councilwoman Michelle Romero from the City of Henderson; mayor Lori Bagwell from Carson City; and councilwoman Kelly Frost from the City of Fallon [page 6, [Exhibit C](#)].

The services that the members of the League provide to more than 1.7 million Nevadans are public safety, fire and police, recreational services, senior services, water, stormwater, planning, zoning, urban development, and other community services [page 7].

The services that the League provides our members revolve around advocacy with the Nevada Legislature, our congressional delegation, and with other federal and state agencies. Those agencies provide educational workshops [page 8]. Our board of directors meets quarterly, and our executive board meets at least quarterly or as needed. We have an annual conference scheduled for August in Sparks, Nevada. We are active participants in the National League of Cities. We have members on steering and advisory committees of that body. We also provide group insurance, deferred compensation plans, and certification for public officials.

The League also sits on various state boards and commissions [page 9]. This is to help the priorities of our members and to be advised of relevant and policy developments throughout the state.

Some of the national boards and commissions [page 10] that the Nevada League of Cities and Municipalities participates in are the National League of Cities Board of Directors, the State Municipal League Steering Committee, the Western Municipal Association, as well as the National League of Cities and other various councils and committees.

For the 81st Session of the Legislature, the League is putting forth three bills [page 11]. We are here to address [Assembly Bill 3](#) and [Assembly Bill 63](#) with your Committee. [Senate Bill 64](#) is going to start getting hearings and consideration in the Senate.

[Assembly Bill 3](#) looks to revise provisions related to the approval of the divisions of land. This is an act relating to land use planning; it revises provisions concerning the electronic transmission of certain maps and other documents relating to the approval of divisions of land; and providing other matters properly relating thereto.

[Assembly Bill 63](#) is an act relating to local financial administration; authorizing a local government to use money from a certain fund to mitigate the effects of certain emergencies; and providing other matters properly relating thereto.

[Senate Bill 64](#) relates to taxation. It reduces the statutory rate of depreciation. This is about property tax applicable to improvements made on real property for the purposes of determining the taxable value of the property; revising provisions governing calculations and the amount of certain partial abatements of property taxes; and providing other matters properly relating thereto.

Our legislative priorities for this session are to support the effort to amend Nevada's property tax system, address state preemption of local authority, unfunded mandates, and to ensure the equity of authority [page 12, [Exhibit C](#)].

Our federal priorities [page 13] continue to be direct funding for the cities for COVID-19 relief to aid in budget stabilization, infrastructure funding—this includes direct allocation for infrastructure projects, maintaining the tax exempt status of municipal bonds, workforce housing, access to the federal banking system for state legal marijuana businesses, a 5G preemption, and to maintain the community development block grant funding.

With that, I am open to any questions. Thank you very much.

Chair Flores:

Do we have any questions? Please do not ask questions relating to the bill. We will have an opportunity to vet that a little bit later. Do we have any overarching questions? [There were none.]

We can hold all questions until the two bill presentations. I am comfortable doing that. Thank you, Mr. Harper, for that overview.

I am going to close the presentation from the Nevada League of Cities and Municipalities. I am going to open the presentation from the City of Las Vegas.

Randy Robison, Deputy Director, Government Affairs, City of Las Vegas:

I am joined by two distinguished presenters. Councilwoman Olivia Diaz, former four-term state assemblywoman, will be our closer. Our city manager, Jorge Cervantes, was appointed in November 2020. He has been with the city for over 20 years serving in a variety of positions. We are fortunate to have his leadership at this critical time in the city's development.

With that, I will turn it over to our city manager and he will give the bulk of the presentation. He will then turn it over to Councilwoman Diaz.

Jorge Cervantes, City Manager, City of Las Vegas:

Thank you for the opportunity to present to the Government Affairs Committee. I will discuss a little bit about the City of Las Vegas, how our city is structured, how it operates, our priorities that our council has set out for us, and some opportunities for collaborative partnerships with the city, state, other organizations, and agencies.

As a charter city, our local government operates under a council-manager form of government [page 2, [Exhibit D](#)]; this is typical of most major cities throughout the country. Our mayor is selected at large, and we have six councilpersons elected in their areas. Our elected officials are elected for four-year terms with staggered election cycles. Every two years, three of our councilpersons are up for reelection.

Under the council-manager structure [page 3], the voters of Las Vegas elect their mayor and the council. The council appoints the city manager. The mayor is an equal member of the board, but she is the one who presides as the chairperson over the council meetings. Our elected body provides policy direction. The management team provides day-to-day operation and implements priorities established by our city council for us to implement.

The city manager's office is structured with chiefs that oversees multiple departments based on service functions [page 4, [Exhibit D](#)]. Each chief manages between three and six departments, depending on the size of the departments. For example, on our public safety side, our chief public safety officer manages some of the larger departments, including fire services. Fire services has about 725 employees. He also manages our public service department with around 400 employees.

Just some quick facts about the City of Las Vegas [page 5]: we have an ethnically diverse population of about 660,000 persons within the geographical area of 136 square miles. The city manages 21 departments that provide municipal services such as public safety, maintenance of infrastructure, recreational facilities, municipal code courts, and public and private development oversight. The city provides some support for social services, but that is mostly the role of the county and state through various programs. These programs include indigent care, family services, juvenile justice services, and affordable housing. These are all prime responsibilities for the southern Nevada region.

If you look at this overall map of the Las Vegas metropolitan area [page 6], the City of Las Vegas proper is on the northwest quadrant, shown in yellow. Although we are the largest city in the state, we only make up about 28 percent of the entire metropolitan population. When people think of Las Vegas, especially people from out of state, they assume that the Las Vegas Strip and the major metropolitan area is where the city limit is. In reality, the Strip is unincorporated Clark County. The city jurisdiction boundary is basically on Sahara Avenue. Anything south of Sahara Avenue is in the county. Our mayor, as well as our office, often get inquiries from national and international news agencies asking for comment or response whenever a major event occurs in the community. They assume the entire metropolitan area is Las Vegas, and we have to refer them to the proper authority to respond to some of those inquiries.

Our economic engine is more focused around our downtown where we have 30,000 people employed in various sectors [page 7]. These sectors include gaming, leisure services, and office work. The government supports our offices from local, county, state, and federal agencies. Of the 42 million visitors that came to Las Vegas in 2019, about 20 million of those visited our downtown. We are reliant on the tourist industry within our downtown.

The priorities our council sets out for us to focus on for the next couple of years include public safety, health care, and a diversified economy [page 8]. Public safety focuses on better interaction and investment into our community. Health care focuses on accessibility to those services, although we are not health care providers. A diversified economy is done by bringing new industries to reduce our reliance on gaming and leisure services.

We can talk about financials for fiscal year 2021 [page 9]. The city has an operational budget of \$570 million in general funds. Our previous year's budget, in fiscal year 2020, was \$620 million. Approximately 64 percent of our revenue comes from two of the most unstable revenue sources: the consolidated tax and the property tax. The consolidated tax is subject to our economic fluctuation and consumption. The property tax, which is typically one of the most stable revenue sources for local governments throughout the country, has become one of the more unpredictable revenue sources for the Nevada local governments over the last decade. As a result, [unintelligible] we are required to put in place during the times of very rapidly rising home values.

Following our council priorities, you can see that a majority of the revenue goes to providing public safety for our community [page 10, [Exhibit D](#)]. This includes our funding of the share of the Las Vegas Metropolitan Police Department (LVMPD). The Las Vegas Metropolitan Police Department serves both the City of Las Vegas and the unincorporated county. We fund about 40 percent of this operation. This includes funding to municipal fire services, our city marshals and correction officers, and our court system. The remaining funds are allocated amongst the other departments that provide various services to our residents.

I understand there are some inquiries on the state's applications for grants and potential funding supplements. We have some federal grants [page 11] that are automatically appropriated to the city because of our population and our size. These are referred to as entitlement grants and include the community development block grants and the Housing Opportunities for Persons with Aids funds. We also have non-entitlement grants. We apply for these, but we have to compete with other cities and jurisdictions for award of these funds. These include funds for things such as public safety and transportation projects.

These are some of the major challenges that we face as a community, as the City of Las Vegas [page 12]. Our city is landlocked. We do not have the ability to grow our tax base similar to some of the other jurisdictions in the valley. To our north, we have the Las Vegas Paiute Tribe Indian Colony and the Tule Springs Fossil Beds National Monument. To our west is the Red Rock Canyon National Conservation Area. To the south is unincorporated Clark County, and to our east is North Las Vegas. Unlike some of our partner cities, our ability to grow our tax base, moving forward, is pretty limited.

We are also an older community. Because everything started in the City of Las Vegas and grew from there to the outskirts, our infrastructure is older and the costs to operate and maintain that infrastructure are higher. Our downtown is aging. We are finding that, as we try to redevelop our downtown, it is a lot cheaper and more convenient for a developer to go out to the suburbs where the land is less costly and it is cheaper to build. To try and rehabilitate some of the older buildings that are out of code compliance is more expensive. Through our redevelopment agency, we as a municipality need to incentivize this development to allow our downtown to prosper.

Like many cities around the country, we are seeing a rising homeless population. We saw both the sheltered and unsheltered population grow significantly pre-pandemic and we

anticipate that will grow a little bit more as we see some of those rental assistance programs die out.

All of these challenges are an example of why the City of Las Vegas is a little bit different from our sister cities. We, as a city, need to develop a better, more specific partnership with the state and other organizations in different and more specific ways to help address some of these challenges.

The bill draft request [[Senate Bill 13](#)] that we submitted is centered around fiscal responsibility [page 13, [Exhibit D](#)]. We are requesting to increase the allowable ending fund balance from the current 16.67 percent to 25 percent. This will provide sufficient reserves to address budgetary fluctuation that we saw both during the pandemic and during the previous recession. We need to have a sufficient cash flow available to pay our bills if revenue ceases to come in, in order to stay solvent. We saw then, when the order came in to close businesses, the revenue stream stopped for many of our local governments. This will allow us to keep our bills and everything else paid. This would help all local governments with their cash flow engagement.

Let us look forward at our opportunities for local and state government to work together to achieve greater success on behalf of our shared constituents [page 14]. This requires a different and more strategic partnership with the state and other public and private entities. It can help us be more resilient to economic downturns. This includes economic diversification. We can try to entice companies that are trying to escape from a higher-cost space to move their operations to Nevada. For us, it would be more technically centric since we do not have the large area land population for some of the manufacturing logistics. We would focus the city more on technology.

This would require some workforce training and development. During the pandemic, we saw that some of the store properties let their people go when they were forced to shut down. When they started opening up again, we saw the use of technology to replace some of the things that were previously done by manual labor. We need to retrain some of those folks that are now in a position to try and find new skill sets to enter the new jobs of the future.

There is an opportunity in regional homeless services. We are currently building a courtyard to service some of the needs that are downtown. We have the largest share of the homeless population because the services provided to them are all centered around downtown. These homeless folks are all throughout our region. The ability to create resource centers throughout the region to make it more convenient and closer to where their needs are would benefit all of us. Part of that is addressing mental health and substance abuse. We are finding that most of these folks need help in that area.

The quality of education is critical. For us to compete with the rest of the other states, we need to have quality education. That starts with adequate funding for our school system. Part of that is access to pre-K for all. Those that are of better means have the ability to send

their kids to pre-K. Some of our underserved communities do not have that ability. We need pre-K so that when kids enter the school system, they are better prepared to be successful.

I would like to turn it over to one of the members of our city council who is a former Assemblywoman, Councilwoman Olivia Diaz.

Olivia Diaz, Councilwoman, Ward 3, City of Las Vegas:

Good morning Chair Flores, Vice Chair Torres, and all of the members of the Government Affairs Committee.

I am currently the Las Vegas City Councilwoman for Ward 3. I first and foremost want to say congratulations to all of you who are serving and representing our state. I know that you have an important role in our state in looking out for all of our people. I know that this is truly a labor of love. I appreciate your public service to our entire state. To all of my former colleagues, Assemblyman Ellison and Assemblywoman Dickman, and everyone else that I was able to work with, I want to give my sincere salutations. I know what it is to be in your shoes. I know the great responsibility it is to set good policy for our state because a lot of what we are able to do or not do is dictated by you. The flexibility, or lack thereof, is determined by what you set in policy. This is why I do not take your role lightly. I know that you are important in making sure that, in my role as a councilwoman, I have direct contact, grassroots contact, with my residents, some of whom are shared constituents with you all.

Know that I take my job very seriously. I came to this job making sure I was going to be part of a problem-solving team instead of turning a blind eye to some issues and some things. Know that you have a partner in us. Since I have been on board with the City of Las Vegas, I have been nothing but pleased with the work ethic of our folks. A lot of people joke with me, did I know I was going to be facing a pandemic when I ran to become a city councilmember? Did I know all of the challenges that would confront everybody?

Local government is where the rubber meets the road. We are hearing from folks of how their lives are being impacted day by day, whether they are calling about the homeless encampments that are in their parks or around where they live, maintenance issues, roadway projects that are impeding access to their business, or they are asking questions about where the much needed assistance is during this pandemic. We are here 24/7 to make sure that we are at their service and we are trying to get them information. If it is not us, we try to triage that and make sure they get what they need.

Know that we are working our hardest. These times have been challenging. We are making sure that we are reaching out to all of our community and informing them of the COVID-19 protocols. We are setting up test sites. We are partnering with the county. I work very well with my county counterparts. I have partnered with Clark County Commissioner Marilyn Kirkpatrick, Clark County Commissioner Tick Segerblom, and Clark County Commissioner William McCurdy II. I am trying to make sure that we are stronger together. We are one

southern Nevada region. We need to collaborate and foster that spirit of cooperation so that we can move the needle forward for our community.

For those of you who know me, I am a teacher at heart. When Mr. Cervantes was speaking about pre-K for all, know that we are doing our part to move the needle forward on so many other areas. We are building a pre-K center in Ward 3 across from the library. We are looking to bring Federally Qualified Health Centers as part of the services that are offered out of that structure.

When we looked at the priorities that we wanted to work on as a city council—public safety, health care, and diversifying our economy—these were all driven by input that we received from our constituency and our residents, and also from what we know we need to continue to thrive and to provide to our community these fundamental services.

I am thankful that we have you as our leaders. We know that you have a challenging session ahead of you. Please feel free to contact me at any moment to ask about anything.

We are also playing a part in the vaccination efforts. A lot of our city employees' job descriptions have had to be very flexible during these times. We had to deploy people to work our isolation-quarantine unit, which was the major health and housing support for the homeless population that contracted COVID-19.

We have had to take some of our staff and redeploy them to become business ambassadors. They go check in and make sure that people were ensuring their customers were wearing their masks when they frequented businesses and that they were keeping to the protocols. We have been very fluid in having to change our trajectory depending on what we need to support that is coming from the Governor or from you. We are trying to be as responsive as possible in any fashion, shape, or form.

I am pleased to announce that we are bringing a vaccination site to Ward 3 next week. We will have 3,000 vaccinations offered over three days. I am excited that it is coming to the east side where people will have easier access to them.

With that, I applaud you for your work. I have nothing but the utmost respect for the work that you do day in and day out. We will go ahead and open it up to you for any questions you may have of us.

Chair Flores:

Thank you, Councilwoman. It was great seeing you, even if it was just virtually. It is my understanding, Mr. Cervantes, that you are the first Latino to hold the role of city manager. I wanted to congratulate you and wish you all of the success. We do have several questions.

Assemblywoman Dickman:

I do not have a question. I wanted to thank you for the presentation. I wanted to say hi to Councilwoman Diaz, former Assemblywoman Diaz. It has been a long time, and I wish you were here. We miss you.

Olivia Diaz:

I miss you all too. This moment is a little nostalgic for me. I miss the good work we do in Carson City. I am equally needed in Las Vegas. I like to be an extension of the good work that you do. Thank you so much; it is good to see you back there, Assemblywoman Dickman.

Assemblywoman Anderson:

Thank you for the presentation. I have two quick questions about the homeless information that you presented [page 12, [Exhibit D](#)]. It seems to be growing. It is up by 20 percent just from 2019. Are they growing by specific ages? Are there specific areas where you are seeing those homeless numbers going up?

Jorge Cervantes:

It is both. We are seeing more young folks out there than we were before. We are also seeing families. Folks have lost the ability to stay in their homes. We are seeing families coming out. We opened a respite center in one of our buildings to house families. The courtyard is not where you want to have families with little kids. We are seeing a different population of homeless than we have before.

We get to know our homeless pretty well because we provide services. We know what some of their needs are. We are seeing different folks out there. We are seeing a more aggressive type of population out there.

We are seeing encampments at our drainage facilities and some of our drainage boxes. It is harmful because a lot of crime is occurring out there. There are gangs that take over the homeless population and try to control or disturb the other folks there.

During the pandemic, the Centers for Disease Control and Prevention (CDC) guidelines were not to try and disperse the homeless so that they would not be out in the population dispersing the virus. As more information was learned, we went out and tested some of these populations. We found that the homeless population had a lower percentage of infection than the general population. This surprised us. We anticipated that these folks would have a lower immune system and get sick more easily. We concluded that these folks are on the streets every day and get exposed to a lot more germs than we do. Maybe their immune systems are stronger. Given that their numbers were lower, we decided to go ahead and start clearing up some of these encampments. We tried to get folks services and get them help to try to prevent some of the criminal activities and bad things that were occurring down there. The ages fluctuate, but we are seeing families. This really concerns us.

Olivia Diaz:

I just had my briefing with the Office of Community Services within the City of Las Vegas. They are the group that leads the efforts on the homeless front here for us. I was hearing from our director, Kathi Thomas-Gibson, that we are seeing an increase of drug-addicted homelessness and also mental health issues. I want to inform you of our Multi-Agency Outreach Resource Engagement (MORE) Team. Our MORE Team is made up of individuals that work with the nonprofit homeless sector, city marshals, and someone from our Office of Community Services.

When we are clearing encampments, we are doing it for public safety reasons. We do it in a way that we are offering them the services that are available to them. We go to them with the MORE Team before we clear them and we triage. We say that we have these services and there are the services that are ready for you. It is up to the homeless population to accept or decline. If you are drug addicted or if you are not mentally stable, then it is harder for you to meet that step and accept the help that is being offered. We have developed five teams that we are trying to deploy in our six wards because that population has been increasing significantly since the pandemic.

Assemblywoman Anderson:

It saddens me that you had to bring up the information about the encampments because that was something that I was wondering about.

Even though the CDC says one thing, why were some of those encampments being treated in that fashion? Are people that are homeless being charged with criminal activity in different ways? I understand about the drugs, that is a different issue. Just because they are homeless, there are some under the impression that there are some criminal activities that are being charged for individuals. Is that accurate? How is that working out?

If that is more of an in-depth answer, then I am more than happy to continue this conversation offline.

Jorge Cervantes:

We are not charging folks with criminal activity. We are trying to help them out. One thing we are working on is a way to clear records. We are trying to expunge records of folks who may have past criminal records that could put them at risk. We do not want to start housing folks in our jails; that does not benefit anybody. It makes it harder for them to transition from being homeless back into a productive life and into the workforce. The last thing we want is for folks to have a record of criminal activity.

The only time that a person gets arrested is if, in an attempt to try and clear them, they get belligerent and aggressive with a police officer. We try to find a way to move them forward. If they get hostile towards a police officer, most of those folks end up getting arrested, but it is a very small percentage. I would be glad to show you some of the statistics we have on the number of folks that we actually encounter and touch, and on what percentage of those

actually end up arrested. Most of those who are arrested get aggressive with a police officer when they are trying to help them out.

Assemblywoman Anderson:

I would like to have that discussion at some point. I understand that you are a very busy person, so I really appreciate that information. It is sad to hear. It is our reality that so many of our families are becoming homeless across our state.

Thank you, and I look forward to having more discussion with you all about this issue.

Assemblywoman Considine:

I have a couple of questions. One of them is going back to the general fund expenditures [page 10, [Exhibit D](#)]. I could not miss that more than two-thirds of the expenditures are in public safety. I know that included fire and rescue. You mentioned that 40 percent of LVMPD is funded through that. You also mentioned the court system. On this pie chart, there is a separate part for judicial. Could you explain if that is the City of Las Vegas? When you refer to the court, does that mean a percentage of the county court? Could you break that down for me?

Jorge Cervantes:

I misspoke; you are correct. The judicial system comes out of that pocket. The public safety is LVMPD, our fire department, our city marshals, running our jail, our correction officers, and other functions that are done as a city that are considered public safety. Those other functions are more support systems for the public safety. You are correct, I was mistaken. The judicial system is a separate piece out of that pie.

Assemblywoman Considine:

I appreciate it. Could you send a breakdown of what those are?

One of the things that I am appreciating during these presentations is the ability to compare how cities and counties are spending their money and what is coming in, which brings me to my second question: we have been seeing a lot of presentations that have breakdowns for the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Could you go over or provide a breakdown of the CARES Act money that was received by the city and how it was spent?

Jorge Cervantes:

I would be glad to send you that breakdown. It will show you where each dollar went. As you know, there is an additional allocation that just got sent out to help with the rental assistance program. We will partner with the county and all the jurisdictions to combine it into one part versus each jurisdiction handing it out. It makes it easier for folks that need to know one central place versus trying to go to different ones. I would be glad to send you the information that breaks it down. The city got \$105 million out of the first round of the CARES Act.

Chair Flores:

I would prefer that you sent the information to the committee manager, Ms. Bishop, or Mr. McDonald. I can make sure that every member gets that information.

Assemblywoman Torres:

It is always good to see you, Councilwoman Diaz. We worked closely together on a number of different efforts throughout the pandemic. I appreciate the work that the City of Las Vegas and your team has done.

I was hoping you could talk a little about the role the city has played in getting information out to diverse communities. I know that there have been a lot of efforts to get information out in Spanish. What have some of those barriers been? I do not think the responsibility falls completely on the city. I want to understand the barriers we have had in getting that information shared.

Olivia Diaz:

Yes, we have a ways to go in the southern Nevada region in terms of providing diverse literature and information in many languages. I think the census will shed light that the Latino and Hispanic population in southern Nevada is approaching 30 percent, if not over that. We need to ensure that all of our communities have the information.

I used to make it a point, when I sat on the Assembly Committee on Ways and Means, to ask the directors in the state to make their websites and processes all Spanish-accessible. If you go back today, you will find that we really have not moved that needle on that front. I think it is because we lack the diversity in the staff, or we are not making the conscious effort to ensure that we have the interpreting needs. We need to make sure that when we are sending these memos from the state to the entire constituency, it is readily accessible in both languages.

We should also be doing it for the Tagalog-speaking community and the Chinese-speaking community. Those populations are growing. We need to continue advocacy wherever we can: at the local level with our school district, within the city, and in the county. We need to make sure that our channels of communication are up to date and up to speed.

As you well know, my city ward is 70 percent Latino. If we are not communicating the information in a way that they can internalize, we are not going to do much to help them know what resources are available to them. My office has been instrumental in helping me ensure that we are sending bilingual communication, translating all of the fliers, and that we have staff who can answer folks in Spanish. I think that is important in making sure that we are inclusive, we are looking out for everybody, and we are getting the information out there.

Some of our governmental processes are not known. If I came from another country, as my parents did, I would not necessarily know the appropriate way to get a permit to build a shed in my backyard. I am then going to have to suffer the consequences when code enforcement

is called on me and they say I did not permit my shed structure, but I honestly did not know. No one really let me know that this is something that I needed to do.

With this amazing city team, I am trying to figure out how to do a better job at bridging that gap, doing the outreach, being more inclusive, and seeing things from a not-so-traditional point of view. If something is not known across the board, we need to continue to do a better job.

I look forward to more opportunities within our city and setting up structures where we are blasting out more information on different platforms and are recognizing that we need to do it in multiple languages.

Assemblywoman Torres:

Can you explain the role the Office for New Americans, the Office of the Governor, and the members of the Executive Branch have played in helping disseminate this information in Spanish?

Olivia Diaz:

They have been on our task force calls that we have been having collectively with the county, nonprofits, and our Hispanic stakeholders. We are pushing all of our initiatives from *Está En Tus Manos*. It is now shifting gears to the vaccination efforts. They have been very instrumental and helpful in giving us the refugee perspective.

I am speaking from the Spanish interpretation and translation space. There are so many refugees that come from so many other parts of the world. If I put myself in their shoes and I knew nothing except the system where I came from, I would be totally lost if I were not given a frame of reference, a language line, an interpreter, or someone to facilitate the information. A lot of them have to rely on those refugee caseworkers to help them maneuver and understand the processes that are free and accessible to everyone and making sure that they know they have a seat at the table. The testing sites, the vaccination sites, and some of these benefits are made available to everyone. They have been a great asset to our work in this space.

Assemblyman Ellison:

Councilwoman Diaz, if you have the impact on Las Vegas that you had in this building, you will do a great job. I speak that from the heart.

With what is going on and the impact on Las Vegas, do you think you can pull this thing out and get Las Vegas back to where Las Vegas was? How many years do you think this is going to take? This has been a disaster for southern Nevada. Can you comment on that?

Olivia Diaz:

I will preface, and then I will let our city manager speak to it. He has dealt with the downturn in our economy before, but obviously, not to the degree of this pandemic.

Assemblyman Ellison, I am so happy to see you again. I was telling them that we were part of the same freshman class. I am glad that you are still there representing your community.

It is going to be difficult. I think Las Vegas has always been a place where people want to come and visit. We are doing our best to diversify our offerings, to be different, and to be unique. We just had the Circa Resort and Casino open at the end of last year, and they continue to build. It was the first casino to be built from nothing to an amazing resort during the pandemic. That has been a bastion of hope for me.

We are doing amazing work in the arts district in downtown in my ward. I know that it has gained a lot of traction and popularity across the nation. A lot of people are coming to Las Vegas and wanting to just visit that.

We are doing everything we can, from an economic development perspective, to drive that tourism back when they are ready to come back. We rely heavily on not just national tourism, but also international tourism. We are not getting that volume. It has been difficult within the constraints that business operations have had to stay open.

We are optimistic that we will get back to those times. Our revenue stream is what may impede some of our progress at a faster rate for our communities. If we do not have that CTX [consolidated tax] coming as we normally need to, that can hinder our ability to make progress for our people.

I will let our city manager comment on this.

Jorge Cervantes:

Back in November, we hired a national economist. We wanted to hear what an outside economist, who would have a better feel for the nation, is telling us; are they seeing what we are seeing? Las Vegas will come back. It is just a matter of when. What is that timeline? The economists are telling us that they are looking forward to the second half of this year of seeing some pretty good progressive upward movement. As the vaccine distribution gets out further and as people feel comfortable getting on a plane, that is going to make a big difference.

Conventions make up a good percentage of the folks that come down here. We have the tourist industry that comes in on the weekends and occupies our 160,000 hotel rooms. During the week, we rely on that convention tourism to come in and occupy those rooms.

We are thinking toward the end of this calendar year, we will see that it starts trending up. Our economists are projecting we should be at a very good place by the beginning of next year. Some of the numbers that we are seeing today are pointing in that direction. We are hopeful that is true.

I believe we will come back; it is just a matter of timing. The distribution of the vaccine is really helping that. The sooner we can get folks feeling safe and wanting to come here, it is

going to help. What we are seeing from all of the studies is there is a big pent-up demand out there. Folks are tired of being locked up at home. They want to get out, they want to travel, and they want to get away. It is a matter of when they feel comfortable doing it. Last year, there was very little travel. A lot of folks were able to save that money and they are waiting to have the opportunity to go out and spend that money. As the councilwoman said, we are a consumption-driven economy here. A lot of that consumption will help carry us through.

Assemblyman Ellison:

Thank you, I think you are doing a great job and doing everything you can to get up and running. I wish you the best of luck. If this ever loosens up, we will come and stay a week in beautiful Las Vegas.

Olivia Diaz:

Assemblyman Ellison, do I have an invitation to visit you in Elko?

Assemblyman Ellison:

I would love to see you here. We need to take you to the Star Hotel.

Assemblyman Matthews:

I wanted to ask about something that I hear a lot from local officials, especially in Las Vegas, where my district is. There is frustration about the quality of communication coming from the state as pandemic rules and decisions are made. Has that improved? Do you feel like you are getting better information and better communication from the state about the decisions being made and how it is going to impact all of you?

Jorge Cervantes:

We are part of the regional task force that is trying to deal with the pandemic. Chairwoman Kirkpatrick with Clark County is the person who was designated by the Governor to lead that effort for the south. We have a regional call every Monday afternoon to coordinate items. She has daily calls with the state. Whether it is the Office of the Governor or with any other folks that are working on this emergency, she relays the information to us so we can take proper action. We are very comfortable, and we think there is good communication going on. There are always opportunities to have better communication, but we think there is good communication.

In addition to that one regional group, there are subgroups that are more specific. There are groups that meet on Thursdays that deal with the enforcement of having to go out there to try and make sure folks are wearing their masks. There are folks on the emergency management side. They are managing some of the mass and smaller vaccinations centers. We have those subgroups that meet and talk once a week and keep that communication going. We think there is pretty good communication, but there is always an opportunity to do better.

Olivia Diaz:

I can vouch for the weekly calls with the regional task force. I have been on some of those calls and we get the information through the chairwoman of the Clark County Commission

about where we are heading and where we are going. Then, we try to make sure we are all coordinating efforts at the regional level.

Chair Flores:

Members, do you have any additional questions? [There were none.]

Thank you for coming before our Committee. This is the beginning of a conversation for the session. I look forward to working alongside all of you. This is your committee; you always have an open door here. Thank you again for your work. I know that you have a lot to do, but I appreciate that we are heading in the right direction.

I am going to close the presentation by the City of Las Vegas. I would like to open the bill presentation on Assembly Bill 3.

Assembly Bill 3: Revises provisions concerning the electronic transmission of certain maps and other documents relating to the approval of divisions of land. (BDR 22-406)

Wesley Harper, Executive Director, Nevada League of Cities and Municipalities:

Assembly Bill 3 authorizes the use of electronic maps for land use, planning, and development to improve the efficiency of the development and redevelopment process. It will create more predictable and efficient timelines, which will reduce delays, cost, and waste. It allows electronic documents to become cleared during COVID-19 and further. This bill is only an authorization. This is a permissive action. This is not a requirement. If counties and planning departments choose to utilize electronic maps, this bill provides them the opportunity to do so, but it does not create the mandate to do so.

I want to introduce the people that are working with me on presenting this bill. This bill came to us from the City of Reno. The City of Reno presented the idea of this bill to the Nevada League of Cities and Municipalities. Then, we presented it to our full membership. The full membership decided that it would be a benefit to all municipalities, which is why we took the bill and offered it to the Legislature. The City of Reno has representatives that are here with me today to help answer any questions and provide additional context.

We have Calli Wilsey; she is the senior management analyst for intergovernmental relations. She is in the City Manager's Office in the City of Reno. We have Angela Fuss; she is the acting community development director for the City of Reno. We have Jeff Borchardt; he is the planning manager for the City of Reno.

I had the privilege to have conversations with some of the members of the Committee to try and provide context and overviews for the bill if they had any questions or concerns. We did receive a couple of questions that I have taken back to the team I have just introduced. I am going to turn it over to Ms. Wilsey for her opening comments. Then, the specific questions can be addressed by Mr. Borchardt.

Calli Wilsey, Senior Management Analyst, Intergovernmental Relations, City of Reno:

We brought this concept forward to the League after we had conversations with representatives from the private building and construction industries. We realized that there was a question about whether land use, planning, and development maps could be submitted electronically. This bill is intended to clean up that gray area. It authorizes the electronic submission of the maps, except in certain situations. If the county recorder is working to record one of these documents, and that process does not exist yet, there is an exception. I think that is an important part of this bill. It is permissive, not a requirement. It is intended to clearly state in law that this is allowed. That will enable local governments to work together with all of their partners, public and private, to come up with a seamless administrative process that will be more efficient for everybody. It allows the local agencies the flexibility to determine if and when to move forward with the electronic process.

In addition to the discussions with those in the planning, building, and construction trades, we had a great and productive conversation with several county recorders earlier this week. They raised some concerns about some of the language and how it will impact their processes. We are working with those county recorders on a friendly amendment to fix the technical issues that we have. They are certainly important to this process, and we want to work collaboratively with them to make sure that this will work across the state for the various agencies.

We thank you for your consideration of this bill that cleans up state law and provides a pathway forward to modernize our processes in the field. As Mr. Harper mentioned, I am joined by the City of Reno Planning Manager, Jeff Borchardt. He will address any technical questions about the process. We are happy to answer questions.

Chair Flores:

I appreciate the approach and hopefully it will make it a lot more efficient. I would like to open it up for questions.

Assemblywoman Torres:

I have a question about section 1, subsection 3. Is there a locked software that is easy to access and available at a reasonable cost to an average citizen?

Wesley Harper:

I do not have the specific answer to that question. I am wondering if Mr. Borchardt or Ms. Fuss may have that information.

Jeff Borchardt, Planning Manager, City of Reno:

There are a number of different software applications that you can use. Right now, *Nevada Revised Statutes* (NRS) Chapter 278 allows for engineers and surveyors to lock their stamps. This will allow for electronic signatures. There are systems like DocuSign, Adobe Sign, or various different things that people use on a regular basis to allow for electronic signatures with encryption, so it is secure. This bill does not specifically delineate which program to use. It allows for each area to determine what would work for them, and we can

determine how that would be impacted on a cost standpoint locally, rather than at the state level.

Assemblywoman Black:

In the real estate industry, we can do everything in the sale and purchase of a home virtually, with the exception of signing the loan documents. The loan documents have to be physical, wet signatures, and maybe notarizations. I can literally never meet a client. I can show a home with my phone, have everything signed online, and securely and safely sell a home without ever seeing that person. I think that is a smart thing to do. It is good for saving paper. When you have to submit a paper plan, it takes hours and the staff has to go and scan all of those documents. That is how it was in the City of Mesquite when I was on the council. I think it is a time-saver. It is good for the environment; we are saving paper. I think it is good for customer service. It is helping the people that need to do business to get things done faster and more efficiently. I think that this is a great thing to implement, and I hope that all of our cities and counties start doing this.

Assemblywoman Considine:

As we all move forward into more digital and more DocuSigns, I am wondering if the process that is set up is consistent with how other entities are using the same type of process. Instead of each entity trying to create its own process for getting to the same end point, are you being cognizant of all trying to do it the same way for efficiency?

Wesley Harper:

I will start, and I will ask Ms. Wilsey to join in. This legislation is attempting to clear the way for counties, planners, and builders to move in the direction of this technology and this capability. In our conversations with some of the county recorders, they made it clear that not all counties were in the same place as far as personnel, capability, or equipment to take advantage of it now. I will acknowledge a couple of things that may be important. The first is that we need to create a consistent standard across the state. The second is to begin to move in the direction for the efficiencies that this provides. This legislation is not seeking to provide any procedures or protocols. It is seeking to open the door and provide permission to move into this type of technology and type of space.

Calli Wilsey:

I echo Mr. Harper. I will also add that while the bill does not necessarily require a standard procedure or lay it out, I think local governments try and work hard to make our procedures, as best we can, kind of seamless. We work well together to share information and understand how each other's procedures work to help make sure that the invisible lines before jurisdictions for our customers do not exist. We know that they do not exist in the real world. The bill does not require it, but local governments are always in talks with each other about these efforts and how to coordinate with each other.

Assemblywoman Anderson:

I am happy to hear that the local governments are going to work together in having a seamless procedure. I wanted to echo how much I appreciated the meeting with Mr. Harper the other day.

Under section 1, subsection 5, those procedures will be figured out before the agreement will be listed so that nobody will be shocked if all of a sudden on a Wednesday, you can just do it electronically, but on a Thursday, it is different. This is permissive, so if those procedures are figured out early, will that be given to the people when they start to apply for these items? Is it too early to tell what that procedure will be?

Wesley Harper:

I did enjoy the meeting with you. You were the first meeting I had with the Committee, so thank you very much. With respect to section 1, subsection 5, and the procedure that counties will follow, counties will follow their existing protocols for moving these projects through their system. The existing protocols are made clear to entities at the beginning of the process. This would be no different in our eyes. If the county is looking to engage in electronic documentation or electronic mapping, the county will make that clear. I am quite confident that at the beginning of the process, they will tell which software types they take and which procedures they want. We are looking to clear the space, but not get into the procedures. It is our belief that each county best knows how to make their process most efficient, given the volume of applications that they have and the equipment and staff that they have to process them.

Calli Wilsey:

The only thing that I would add to Mr. Harper's comments is that the development of this type of process will not, at the local level, be something that can be turned on overnight. There will have to be a lot of conversations to make all of the different moving pieces work together to create the ultimate goal of an efficient process, reducing waste, and providing high levels of customer service. I echo Mr. Harper, but I would anticipate lots of conversations prior to these processes being able to be turned on.

Assemblyman Ellison:

Thank you, Mr. Chair, and thank you for the wonderful gift and the note. I appreciate that, for Valentine's Day.

Mr. Harper, I talked to you yesterday about the wet stamp, and I heard part of that process just now. Is that the final process for the filing of that? Does the original wet stamp have to be on file? I know that if you are going to file, you can do that with the stamp, but that is still not the final document, is it not?

Jeff Borchardt:

Based on the way NRS Chapter 278 and *Nevada Administrative Code* (NAC) 625.611 are written, the actual stamp can be electronic. That is the way it works here in the Truckee Meadows. Some of our maps get put on Mylars and they get about 15 signatures. For each

person from various different utility agencies to sign them, they have to wet sign them. There is nothing that allows the signatures to be an electronic process.

With COVID-19, these maps would sit in quarantine for a couple of weeks, and then somebody would sign it. It would go to the next utility agency, sit in quarantine for a couple of weeks, and then that person would sign it. Maps went from taking 6 months to process to taking 12 to 14 months to process.

When we devised the process, we asked why it had to be done the way that we have done it since the late 1800s. Why can we not do it electronically? There is a process to do the stamps electronically. Why can you not do the signatures electronically? This would enable us to figure out a way to make that a possibility.

Assemblyman Ellison:

I think this is a good bill. We have to do stamps all the time. We take them to the city, put them in blue, and then we can present them to city, county, or state. I appreciate and understand what you are trying to do.

Assemblywoman Brown-May:

My question is relevant to the process of the Mylars and going through the electronic process. You just detailed it so wonderfully. I am wondering about the integrity of the signatures. It is my understanding that each entity receives the Mylar after an approval process from a previous entity. Are you envisioning that this process will change? Will multiple entities do signatures and reviews simultaneously to shorten that window?

I am curious to know about the integrity of the data. You cannot sign off on the Mylar until the guy before you has signed off on his portion of it. How can we ensure the integrity of each signature as it goes through the electronic process? Have you given any thought to that? How are you going to maintain all of the electronic data? Will there be a growth in the technological infrastructure that the counties or cities will have to incur?

Wesley Harper:

The resources required to implement and institute this legislation are completely optional and up to each county and municipality. This bill creates no requirement or burden for any local government to take this on. Should they decide to step into the space, it enables them. This legislation does not consider those kinds of decisions.

For the more technical portion of your question about the Mylars, Mr. Borchardt, will you explain?

Jeff Borchardt:

Each agency would work together with their clerk's office to try and come up with software that makes sense in how to protect data and in what order to revise these signatures. In my mind, it would be great if we could all sign off at the same time, similar to the way you can sign a contract. I am not sure if that would work. Those discussions would need to occur to

fit the jurisdictional needs. We would need to do that at the localized level. This would enable us to have those conversations. Right now, it is not allowed.

I agree that protecting the data so that it cannot be changed midway through the process or so somebody cannot make a last-minute revision at the end is extremely important. With the software that most people use to design their plans, it is possible to lock those plans up front before you submit it out for signature. That is a requirement now. When you stamp the plans with an electronic stamp, you are required to lock those. That is already in the NAC as part of the NRS Chapter 278 provisions.

Chair Flores:

I do not believe we have any additional questions. I would like to open it up to those wishing to speak in support of Assembly Bill 3.

Jamie Rodriguez, Government Affairs Manager, Washoe County:

We are in support of this piece of legislation. We appreciate the conversations that are still happening with the recorders and some of the clarifications they are seeking. We are in support of the bill. We think this is a really good step in the right direction, especially in this new world that we are living in right now. The type of flexibility that the bill would allow is what we need to make sure the services that our county provides can be provided to the different people in our community. These people need to use the maps, and this would reduce the amount of human contact that would be required. Thank you to the sponsor for bringing this forward. We are in support of this bill, thank you.

Vinson Guthreau, Deputy Director, Nevada Association of Counties:

The Nevada Association of Counties is lending their support to A.B. 3. We believe the legislation is enabling, and we believe it is a good governance bill. It keeps pace with our ever-changing technologies and environment. Given the enabling language, it would help support counties and local governments to respond to these submissions that are coming in a format that is more common. We appreciate the sponsor for bringing this forward and working on the memo with the recorders on their sections. We are lending our support to this bill. Thank you.

Dan Morgan, Chief Executive Officer, Builders Association of Northern Nevada; and representing Nevada Home Builders Association:

The Builders Association of Northern Nevada and the Nevada Home Builders Association, and our membership are in support of A.B. 3. We have been working with Washoe County's Office of the County Recorder for almost a year. We believe that this will add significant efficiency and accountability to the development process. We are in full support of A.B. 3. Thank you for your time this morning, and we very much appreciate your service to our great state.

Matthew Walker, representing Southern Nevada Home Builders Association:

I am pleased to be calling on behalf of the Southern Nevada Home Builders Association in support of A.B. 3. We are working with our engineers, architects, and surveyors in digital

format. If we can submit in digital format, it is incredibly efficient, and it increases transparency and accountability. We are pleased that this measure is moving forward. I want to take the remainder of my brief time to extend our thank you to the recorders, public works folks, and building officials across southern Nevada for springing into action, innovating, and finding creative solutions to ensure that our workforce can submit as much as possible digitally. This will keep us safe and keep the economy turning during this time. Thank you.

Mike Cathcart, Business Operations Manager, City of Henderson:

I want to thank the Nevada League of Cities and Municipalities for requesting this legislation and for the City of Reno's assistance in the presentation today. Since the beginning of the COVID-19 pandemic, the City of Henderson has moved to the extent possible to the electronic filing of development services documents. This bill will help further that cause. Continuing to improve customer service is always the focus of the city. We are fully supportive of A.B. 3. Thank you.

Chair Flores:

I would like to open it up for those wishing to speak in opposition to Assembly Bill 3. [There was no one.] I would like to open it up to those wishing to speak in neutral for Assembly Bill 3. [There was no one.]

Mr. Harper, do you have any closing remarks?

Wesley Harper:

I want to restate that this bill is designed to enable counties, local governments, and petitioners to move into an electronic format that provides and creates the opportunity for greater efficiency, accountability, and cost savings. This act is permissive; it does not require that these counties or any other government entity take on a burden, if they believe that this is a burden.

We think that counties will move at different speeds. Other counties will be able to learn and benchmark best practices from those counties that go first. A statewide standard would inevitably be created. It moves Nevada forward in this perspective.

Chair Flores:

Thank you, Mr. Harper. For the sake of clarity, I want to make it abundantly clear, that during the line of questioning by Assemblyman Ellison, he referenced a gift that I gave him for Valentine's Day. He was not acknowledging a gift that came from a lobbyist or anybody else. It was a gift that I sent to him.

[[Exhibit E](#) was submitted but not discussed and is included as an exhibit for this hearing.]

I would like to close out the hearing on Assembly Bill 3. I would like to open the hearing on Assembly Bill 63.

Assembly Bill 63: Makes various changes relating to the financial administration of local governments. (BDR 31-404)

Wesley Harper, Executive Director, Nevada League of Cities and Municipalities:

Assembly Bill 63 is designed to broaden the access to the municipal budget stabilization fund for natural disasters and declared states of emergency. Existing law does not anticipate the need for municipalities to access the budget stabilization fund in the case of a pandemic. The addition for the pandemic would give the flexibility in the case of other health crises or unimagined emergencies. This is a lesson of the pandemic for us.

Budget stabilization funds are funds that cities set aside in case of unanticipated impacts to their budget. The rules for accessing a budget stabilization fund were limited to the occurrence of natural disasters. At the time, this thinking was related to the Federal Emergency Management Agency reimbursements. The Federal Emergency Management Agency reimbursements provide help, assistance, or recovery from natural disasters. There is a copay required in order to get those grants allocated to your local government.

When the stabilization fund was created, it was intended to provide money for those copays. The pandemic taught us that there are other things that could be a threat to health, welfare, and property other than natural disasters. Rather than trying to create a laundry list of possibilities that the city or municipalities would need to react to, it would be prudent to suggest, if a natural disaster or emergency is declared, that becomes one of the triggers.

This was brought to the Nevada League of Cities and Municipalities by the City of Henderson. The League provided the idea and the language for the bill to our full membership. Membership agreed that it would be a benefit for all member municipalities. Therefore, the League took it and proposed this to the Legislature. I have Jim McIntosh, Chief Financial Officer for the City of Henderson, to help present this bill and answer questions around how it may work and function.

In my conversation with Committee members in advance of the proceedings today, we did receive a number of questions. I have provided those questions to Mr. McIntosh, and he is prepared to answer them. I will give an overview before the specifics of the questions that were posed to us in those meetings and perhaps some of the questions that are going to come today.

The stabilization fund is a savings account that the cities have created in case of emergency and unanticipated budget impacts. When those budget impacts are the result of a threat to life or property, the cities have budgeted this money to save for that case. It is money that is governed by the city. Being able to access the money that they have prudently set aside seems rational.

There are two triggers to accessing money under this proposed legislation. The first trigger is if there is a threat to life and safety of residents or property. The second trigger is that there is a budget impact. Without the budget impact, there is no cause to access the budget

stabilization fund, and without the threat to life and property, there is no cause to access the stabilization fund.

Jim McIntosh, Chief Financial Officer, City of Henderson:

I am here in support of the Nevada League of Cities and Municipalities and Assembly Bill 63. Assembly Bill 63 modifies *Nevada Revised Statutes* (NRS) 354.6115, which relates to the creation of the financial stabilization fund for local governments. It is an enabling statute. It allows local governments to create and fund, with their own dollars, a reserve account that will act as a rainy day fund when revenues fall short of what is anticipated, or to draw on when there are unanticipated expenditures relating to natural disasters. It protects the savings account from being transferred or used for any other purpose. Due to our current emergency declarations, which are related to the pandemic and not a natural disaster, we support the expansion of the use of these funds for the broader use in an emergency as opposed to a more narrow use in a natural disaster.

I would like to add that the creation of and providing resources to the fund is the choice of the local government. There is no impact in the state budget should the government choose to fund or not fund a budget stabilization fund. A government chooses to create a budget stabilization fund through a resolution and chooses to fund it.

The proposed changes reflect that there may be expenditures incurred by a local government that may not have been budgeted for due to an emergency broader than a natural disaster, like the pandemic we are facing now.

Chair Flores:

I would like to open it up for questions.

Assemblywoman Considine:

I understand why you did not want to create a laundry list of specific incidents that trigger this. My worry is that under the definition of an emergency, it includes "threatened occurrence" and also protection of property. Those two seem vague. If the governing body determines there is an issue and there is a formal declaration, it frees up some money.

The way that it is written, it is possible that if somebody requests the permits to do a protest and the idea of the protest becomes too large, it would be possible for them to say that this is a threatened occurrence because it might harm the city or county park where the protest is going to occur. Therefore, we can declare that we can use this fund to protect the park and put up fencing. I am a little worried about how broad the wording is.

Wesley Harper:

There are two triggers. One is the anticipated threat of loss of life, harm, and property damage or destruction. The other is an actual budget impact. If there is a demonstration, protest, or event planned and permitted by a city, and they anticipate that it is going to create a budget impact on that city, the anticipation of the budget impact is not what triggers access to the stabilization fund. It is an actual budget impact. Cities and counties could look at

something that they project to occur as anticipating a budget impact, or they could spend money in anticipation of ensuring that they limit loss of life or damage to property. If they were to spend that money for that purpose and it was unanticipated, it would be one of the prongs of the two-pronged trigger.

Jim McIntosh:

The City of Henderson is very protective of these funds. We chose through resolution to our council to create a budget stabilization fund. We have a financial management policy surrounding the budget stabilization fund, the amount of money that is the guiding principle that we like required to be kept in the fund. The need to access the funds is caused by two things. We can access the funds, as a onetime use, if revenues are not coming in as anticipated. We can access the funds if there are expenditures to mitigate a natural disaster or for an emergency that we have not budgeted for.

Accessing the budget stabilization fund is a last resort. The City of Henderson is very contemplative about accessing those funds because we know that we will have to restore them at some point, based on our own policy surrounding them.

The definition of "emergency" used here is the definition used in statute. If there were an emergency declared and there were additional expenditures that were above and beyond what would have been anticipated in the budget, you would be able to access your budget stabilization fund. I am not sure that that would be a use that the City of Henderson would even qualify for. Even if it did, there would be a requirement in policy to restore those funds at some point.

Assemblywoman Considine:

Thank you for pointing out that the definition of emergency is consistent across the statutes. That was the emphasis of my question.

Assemblyman Matthews:

Even in the event where we have a statewide emergency declared by the Governor, for the local government to access these funds, they would still need an act from the local government body to trigger the ability to use those funds, is that correct?

Wesley Harper:

My interpretation was that any governing body—local, county, state—could trigger the access to the stabilization fund along with the second prong, which is the fiscal impact. If there is a state declaration of emergency and if a local government also experienced the same conditions, they would go ahead and issue their own local declaration of emergency.

Jim McIntosh:

I do not know if it is clear in this statute whether there has to be a declaration of emergency. The definition of "natural disaster" is in here. I do not know if there is any mention of a declared natural disaster.

Assemblyman Matthews:

I asked because section 1, subsection 3, states that the money in the fund may not be used to pay expenses or mitigate effects of a natural disaster until the governing body issues a formal declaration of an emergency or natural disaster. Reading that made me think that if it is declared by the state government, you would still need the local government to declare the disaster or emergency in order to use these funds. That is why I wanted to seek clarification.

In section 1, subsection 7, of the bill, I noticed that it says, "Any transfer of money from a fund established pursuant to this section for a natural disaster must be completed within 90 days after the end of the fiscal year" It says "natural disaster," but it did not include the word "emergency" in section 1, subsection 7. Is there a similar time provision that would apply to emergencies?

Wesley Harper:

I have a brief follow-up to your first question. In the event that the Governor declares a state of emergency, if the local government is not experiencing a financial impact from that state of emergency, then one of the two aspects required to trigger the use of stabilization funds does not exist.

Under your scenario, if the Governor declares a state of emergency and the local government with the stabilization fund is also experiencing the state of emergency, it would have a fiscal impact. That becomes the two-pronged trigger.

Jim McIntosh:

A declaration of emergency was made in the City of Henderson in March. Previously, the Governor had made a declaration of emergency related to the pandemic. During a pandemic or a natural disaster, we enter into this emergency phase. We try to staunch the bleeding and we activate our emergency operations center. The difference between a pandemic and natural disasters is the time frame might be a lot shorter during a disaster. We resolve the emergency, we incur whatever emergency supplies we need to get, and we provide overtime for our public safety officers. We try to staunch the bleeding on the emergency, and then we turn to the recovery phase. We have found that the pandemic is very different. Other emergencies might be as well. I think we are looking for the flexibility here that is specific to a natural disaster.

I think it is purposely excluding the time frame for any other emergency. We are getting to one year from when we have declared an emergency for this pandemic. We are still under a state of emergency and might still need to transfer funds from the budget stabilization fund.

Assemblyman Matthews:

With the time frame being open-ended, the ability to access those funds would continue to exist so long as the state of emergency remains in place.

Jim McIntosh:

Yes.

Assemblywoman Black:

Municipalities operate on razor-thin budgets. They are not allowed to have a lot of extra capital sitting in the general fund. These stabilization funds are extremely important. I know that every municipality is different. From my time on the Mesquite City Council, the procedure was the state declares a state of emergency, then the council or mayor has to declare a state of emergency as well. I think this is important because you cannot have a bunch of money sitting in an operating budget. I think these are important things to prepare for.

As a municipality, you feel that if you do not declare a state of emergency when the Governor does, you may not receive funds from say, the CARES [Coronavirus Aid, Relief, and Economic Security] Act. I think it would be neat for the cities to have financial autonomy. If they chose not to declare a state of emergency with the Governor, they would be able to declare a financial emergency or have some autonomy.

Assemblywoman Anderson:

Would the resolution to establish this fund be done in an open meeting? Would the accessibility or the decision as to what makes an emergency be discussed or decided in an open meeting so that it would have to be agendized?

Jim McIntosh:

When the City of Henderson prepared its budget last year, it proposed a transfer from its budget stabilization fund. By putting it in that document, the proposal goes before the city council and it requires a public hearing. That is where it would receive the transparency that it needs.

If the emergency would have been declared midyear and a transfer would have been required after the budget document had been prepared and these unanticipated expenditures and transfers were made, the city would be transparent. We would have reviews with our council. We would conduct an open meeting when we made those transfers. We are required to report any augmentations to the budget on a regular basis.

Assemblywoman Anderson:

Just to make sure that I have this right, if it happens, the next time there is a budget hearing, or if there is something that the city decided was an emergency where they can use this money, would it be in the next council discussion? Would it be discussed at the end of that budget year? If people disagree with that decision, would they not be able to have the discussion until the end of the budget year?

Jim McIntosh:

For the City of Henderson, the end of the budget year is when the augmentation would be presented to the council.

Assemblywoman Anderson:

Is there no way for a body of people to be able to disagree if an emergency has been declared?

Jim McIntosh:

We would follow all standard budget processes. In terms of appropriating a budget for this transfer, if it was made in time to be included in the budget document, then the processes for augmenting the budget will show a transfer was made midyear and was unanticipated. No immediate open meeting is required per this statute.

Chair Flores:

I want to make sure we did not skip anybody. If you have a question, please unmute yourself and state your name. [There was no one.]

At this time, I would like to invite those wishing to speak in support of Assembly Bill 63.

Vinson Guthreau, Deputy Director, Nevada Association of Counties:

I am calling to lend support to A.B. 63. The Nevada Association of Counties supports this measure. This is good governance and an update to public policy that is in direct response to the current environment. It enables local governments to respond to unforeseen circumstances and natural disasters, providing them with another tool if the need should arise. We support this measure. Thank you to the sponsors for bringing it forward.

Calli Wilsey, Senior Management Analyst, Intergovernmental Relations, City of Reno:

Good morning. We are calling today to offer our support for Assembly Bill 63. We thank the Nevada League of Cities and Municipalities for bringing forward this bill and the City of Henderson for their presentation. The City of Reno appreciates the effort to clean up this section of NRS 354.6115 and provide flexibility to local government to use this fund in the most needed of times, especially after what we have learned in relation to the ongoing pandemic. Thank you for your consideration of this bill.

Chair Flores:

I would like to go to those wishing to speak in opposition to Assembly Bill 63. [There was no one.] I would like to invite those wishing to speak in the neutral position on Assembly Bill 63. [There was no one.]

Mr. Harper, please come back with any closing remarks you may have.

Wesley Harper:

I want to emphasize that the purpose and intent of this legislation is to allow local governments to use and access stabilization funds to the declared states of emergency that have an unbudgeted fiscal impact. It allows local governments to provide and continue to provide a response to the state of emergency and continue to provide services to residents.

Stabilization funds are set up as a responsible means for governments to anticipate or be prepared for unanticipated and unforeseen emergencies. This allows governments a responsible way to ensure that they can continue to respond and provide and maintain safety and quality of life for residents.

Chair Flores:

Several members have raised some concerns, and I ask that you work with them to address potentially narrowing the definition so that people are comfortable with what will be encapsulated by that. We will be reaching out to you. I look forward to working with you on these measures.

At this time, I would like to close the hearing on Assembly Bill 63. I would like to briefly reopen the hearing on Assembly Bill 3.

Assembly Bill 3: Revises provisions concerning the electronic transmission of certain maps and other documents relating to the approval of divisions of land. (BDR 22-406)

We have reopened the hearing on Assembly Bill 3. Please let the record reflect that I have received two separate emails, and I will take them in the order that we received them. I received an email from Kerrie Kramer who is a lobbyist with Argentum Partners, representing the National Association of Industrial and Office Properties. She attempted numerous times to log in but was having issues. I want the record to reflect that she wanted to be placed on the record as supporting Assembly Bill 3.

We also received an email from Kelly Crompton, Government Affairs Manager for the City of Las Vegas. She was having technical difficulties. She also wanted to make it clear that they are in support of Assembly Bill 3. We apologize for those technical difficulties, and I want to make sure the record is clear.

At this time, I would like to close the hearing on Assembly Bill 3.

Assembly Bill 63: Makes various changes relating to the financial administration of local governments. (BDR 31-404)

I am going to reopen the hearing on Assembly Bill 63 and indicate that I received an email from Kelly Crompton, Government Affairs Manager for the City of Las Vegas. She indicated that she also wanted to testify in support of Assembly Bill 63 and again had technical issues with that.

At this time, I am going to close the hearing on Assembly Bill 63. I apologize to all of you trying to log in; sometimes we have technical issues on our side that is not intentional.

With that, members, I want to thank you for your questions. I look forward to working alongside you to address some of those concerns that were raised on these bills. I think we can work together and find some amicable agreement to get this moved. This meeting is adjourned [at 11:05 a.m.].

RESPECTFULLY SUBMITTED:

Kyla Beecher
Committee Secretary

APPROVED BY:

Assemblyman Edgar Flores, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a copy of a PowerPoint presentation titled, "Presentation to the Assembly Committee on Government Affairs," submitted and presented by Wesley Harper, Executive Director, Nevada League of Cities and Municipalities.

[Exhibit D](#) is a copy of a PowerPoint presentation titled, "City of Las Vegas Assembly Committee on Government Affairs," dated February 12, 2021, submitted and presented by Jorge Cervantes, City Manager, City of Las Vegas.

[Exhibit E](#) is a letter dated February 11, 2021, submitted by Christine Hess, Executive Director, Nevada Housing Coalition, in support of [Assembly Bill 3](#).