

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

**Eighty-First Session
February 25, 2021**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 9:04 a.m. on Thursday, February 25, 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:

Senator Melanie Scheible, Senate District No. 9
Assemblyman Steve Yeager, Assembly District No. 9

STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Judith Bishop, Committee Manager
Zachary Khan, Committee Secretary
Cheryl Williams, Committee Assistant



OTHERS PRESENT:

Kacey KC, State Forester Firewarden, Division of Forestry, State Department of Conservation and Natural Resources
Barbara Richardson, Commissioner of Insurance, Division of Insurance, Department of Business and Industry
Kyle Davis, representing Nevada Conservation League
Nat Hodgson, Chief Executive Officer, Southern Nevada Home Builders Association
Todd Ingalsbee, President, Professional Fire Fighters of Nevada
Matthew J. Walker, representing Southern Nevada Home Builders Association
Joanna Jacob, Government Affairs Manager, Clark County
Steven Thompson, President, Clark County Firefighters

Chair Flores:

[Roll was called. Protocol was explained.] We are going to take the agenda in the order that it appears. We have two bills for this morning. We have Assembly Bill 100 and Assembly Bill 139. I will now open the hearing on Assembly Bill 100.

Assembly Bill 100: Revises provisions relating to wildfires. (BDR 42-109)

Senator Melanie Scheible, Senate District No. 9:

With me today to present the bill are Kacey KC, our State Forester Firewarden with the Division of Forestry at the State Department of Conservation and Natural Resources, along with Barbara Richardson, the Commissioner of Insurance with the Division of Insurance of the Department of Business and Industry. Assembly Bill 100 was proposed by the Committee to Conduct an Interim Study Concerning Wildfires. It was my pleasure to serve as the vice chair of that committee during the 2019-2020 Interim. As you may or may not know, the committee was created by Assembly Concurrent Resolution 4 of the 80th Session. It was tasked with considering methods of reducing wildfire fuels, issues related to early responses to wildfires, and the economic impact of wildfires on the state and local communities. Former Assemblywoman Heidi Swank, chair of the committee, recommended A.B. 100, and the committee unanimously voted to request it.

By way of background, there are hundreds of wildfires every year in Nevada, and in recent years, we experienced especially devastating wildfires. The 2018 Martin and Sugarloaf fires burned nearly a million acres of land in northeastern Nevada. Extremely dry conditions caused in part by climate change, along with the spread of invasive plants like cheatgrass, and an increased housing development in the wild-urban interface have left the state particularly vulnerable to dangerous fire seasons. Because of Nevada's large proportion of public lands, several agencies share responsibility for wildfire prevention and suppression in the state. While it is often local governments that respond first to wildfires, wildfire prevention and suppression is usually in coordination with state and federal partners. The Division of Forestry provides fire protection and implements fire suppression and prevention programs as well as related emergency services. Throughout the interim, the committee heard testimony and received written recommendation from the Division of Forestry

regarding its various wildfire-related programs. Assembly Bill 100 is the result of the recommendations to codify in statute the Division's Wildland Fire Protection Program, the Nevada Network of Fire Adapted Communities program, and the Nevada Fire board of directors. Ms. KC will provide you with details on how these programs help the Division's mission in keeping us safe from wildfires. She will also explain the objectives and concept of a fire board of directors, which is a cooperative agreement with federal, state, and local agencies to improve our collaboration on all levels. The committee also heard testimony from the Division of Insurance on wildfire-related insurance issues. Specifically, we learned about the impact of wildfires on insurance rates, the difference in commercial versus personal insurance products, the lessons learned from the Pacific Gas & Electric wildfire incident, and how livestock and grazing grounds are treated in an insurance policy. Therefore, A.B. 100 authorizes the Commissioner of Insurance to create an incentive program, encouraging insurance-related incentives for Nevada homeowners to attain or maintain a fire adapted community status. With the Chair's approval, I would like to now have Ms. KC and Ms. Richardson provide more detailed background of the bill along with a section-by-section overview.

Kacey KC, State Forester Firewarden, Division of Forestry, State Department of Conservation and Natural Resources:

[Written testimony was submitted, [Exhibit C](#).] I will provide background for the sections being proposed in *Nevada Revised Statutes* (NRS) Chapter 472. Section 2 allows the State Forester Firewarden to enter into cooperative agreements each year with state, federal, and local agencies to ensure communication and coordination on fire suppression assets and safe and effective wildfire response across all jurisdictions in Nevada. This is currently facilitated through the Nevada Fire board of directors. Section 2 would codify that partnership in statute to ensure that coordination in the federal, state, and local jurisdictions remains a top priority to ensure the closest available wildfire assets respond as quickly as possible via coordinated dispatch who are trained to the highest standard and communicate in a timely and appropriate manner each season.

Section 3 would establish Nevada's Wildland Fire Protection Program (WFPP) in statute. Nevada Division of Forestry has the authority to initiate these agreements with local fire jurisdictions under NRS 472.050, and the Division began building these agreements following legislative approval in the 77th Session of the Nevada Legislature. Participating counties and fire protection districts requested the program be specifically set forth in statute to provide program stability and longevity for program participants. To maximize the value of the Wildland Fire Protection Program, it is important that all eligible jurisdictions become formal WFPP participants.

Section 4 requires the State Forester Firewarden to work collaboratively with state, federal, and local agencies to identify and mitigate wildfire risks, restore and maintain landscape resiliency, create and maintain fire-adapted communities, and improve and support a safe and effective wildfire response in Nevada. If Nevada is going to get ahead of the catastrophic loss of property, lives, infrastructure, and ecosystems resulting from wildland fire, all four areas must become the focus of work at a landscape scale to change fire behavior. This is

consistent with the Nevada Division of Forestry's (NDF) primary strategic plan goals, the Division's mission, and the Shared Stewardship agreement with our federal partners signed by Governor Sisolak in November 2019.

Section 5 allows the State Forester Firewarden to provide meals to employees on certain critical natural resource projects and wildland fire responses. This would not apply to all natural resource projects. This would apply only to projects that are so distant from an NDF office that an unreasonable amount of time is wasted each day in travel status, delaying work and resulting in unnecessary per diem and overtime costs. Section 5 would allow NDF to camp onsite and provide mobile kitchen units when deemed more economical for the project to provide meals. In addition to being more fiscally responsible, this proposal will increase the production rate of conservation crews and enhance staff safety, which otherwise greatly decreases because of drive times to and from the project. Section 5 also provides NDF mobile kitchen unit staff additional training that is necessary during emergency responses.

Section 6 requires the State Forester Firewarden to cooperate with state, federal, and local agencies cooperators on fire restrictions in Nevada. This is current practice, however, solidifying the practice in statutes would ensure consistency into the future. Thank you for your consideration of A.B. 100. For section 9, I will pass it over to Commissioner Richardson.

Chair Flores:

Do we have our next speaker ready?

Senator Scheible:

I was expecting Ms. Richardson today and I thought I saw her earlier.

Chair Flores:

I know the connection has been a little faulty this morning, so it may be that she was kicked off. Senator, I do not know if you would like to continue on to some questions on the sections we have already covered and/or we can take a quick, one-minute recess and you can give her a quick call, whatever you prefer.

Senator Scheible:

Let us go on to some questions.

Chair Flores:

Thank you, Senator. Members, I apologize about the connection this morning. Technology, it is what it is. We must power through. With that said, I would like to open it up for questions, with the understanding that we will have somebody else joining us in a bit continuing to cover some of the sections that were not touched yet.

Assemblyman Matthews:

I noticed the operative word in the introduction of section 4 says that the State Forester Firewarden "shall," and one of the things it includes is working collaboratively with various agencies and property owners. I wonder if you might elaborate a little bit on that property owner facet. Presumably, that is private property owners, but since the word "shall" suggests it is mandated, are there specific property owners in mind? What would constitute fulfilling that mandate?

Kacey KC:

We currently do work with private landowners; it is already in our statute. Part of our charter is to provide technical forestry and natural resource assistance to all landowners in the state who choose to participate. This is just an extension of that. However, under certain circumstances we are looking to participate, so we might seek out homeowners who live in the wild-urban interface who have high wildfire potential, working with our state and local partners, to try to reduce the risk in those communities. It does not mean they are forced to participate. It means that we ask, and if they choose to participate in the programs that we might have, such as hazardous fuel reduction, forest health programs, and urban and community forestry programs, we have a multitude of programs that can help assist landowners in trying to reduce risk on their property.

Assemblyman Matthews:

Section 9, subsection 1, where it says "The Commissioner may create a program for insurers to provide incentives," I am wondering if there is anything in place that prevents insurers from providing those incentives? I am trying to get an understanding of why a program may be needed, what the impediments may be to insurers who are already providing such incentives on their own.

Kacey KC:

I think that probably would be a better question for the Commissioner of Insurance on that section. That is not in my statutory area. I think though, having participated in the program, one of the reasons behind this is there are other incentive programs for other natural disasters such as earthquakes and floods. The point of putting this into statute was to try to incentivize landowners to create and maintain defensible space, but that may be better answered by the Commissioner of Insurance.

Chair Flores:

I do see that our Commissioner is on, Assemblyman. Thank you for joining us, Commissioner. If we could go back and allow for the presentation to flow as originally intended, I know the Commissioner was going to cover a few sections, and that may help with Assemblyman Matthew's question and could preemptively address some of the questions that other members have.

Barbara Richardson, Commissioner of Insurance, Division of Insurance, Department of Business and Industry:

Thank you for allowing me to join you late. I apologize. We were doing our budget hearing and unfortunately that took precedence this morning. I do want to thank Firewarden KC and make sure she gets a lot of credit for going through this bill and going through this presentation. We have been working with the industry and with the Firewarden's area for years. It is great to be able to bring this type of bill forward.

I am going to focus on section 9. It is going to allow the Commissioner of Insurance discretion to create an incentive program to "promote and encourage property owners to take measures to mitigate the risk of property loss or damage caused by wildfire." The Division of Insurance had some concerns about this section of the bill, not that we wanted to make any changes, but we believe that the bill focuses on individuals taking mitigation steps to help curb devastating effects of wildfire. However, the concern that we have is that most of the time the efficacy of solely focusing on individuals doing mitigation is not enough. We are trying to make sure that we are going to say that mitigating efforts taken by the whole community will likely be needed to have a statistically impactful decrease in the damage wildfire causes. That does not require a change in the bill, but that is where our focus would be. While we stand neutral, if you want to make changes, that is up to you all.

The science does not support doing mitigation on a one-off basis; it is really a community effort. There are mitigation opportunities that some insurance carriers already take, but what we have seen in the last few years when there have been these large devastating fires that have wiped out large communities, there were not enough incentives during the time period where the community could have taken action and put something forward. We do not want to leave it solely in the hands of the insurance carriers, not that they are already not doing a good job, but their concern is usually a particular homeowner rather than the community as a whole. That is what we are trying to focus on. There has been science that shows that community efforts work much better for all kinds of disasters, and specifically fires, and this has been around for quite some time. There are different programs that are being offered and started throughout the country. Those are the programs based on science and actual results that we will be looking at. I stand ready for any questions you may have. [Commissioner Richardson also provided [Exhibit D](#).]

Assemblywoman Considine:

In the initial part of the bill, it says that this will allow for the creation of a fire board of directors, and in your testimony you said that this is currently facilitated through the Nevada Fire board of directors. Is the board already created and is it already populated?

Kacey KC:

The board is already in place. The board currently consists of nine or so members. It is the fire management officers of all of the federal land management agencies, the state NDF, and local government fire chiefs who are all jointly responsible for wildfire response in the state. The purpose of this was to continue that effort. Over time, that board has functioned at varying levels depending on who is the chair and the priorities they put to it. Our hope was

to put this in statute to require that conversation. I think Commissioner Richardson made a very good point, and that was the point of putting all of these things collectively together. It is not just one of these things that is going to solve this problem that we have across Nevada and across the West and into the rest of the United States. It is all of these parts that are going to come together to reduce risk. Our job, together as state, federal, and local land management agencies, is to create that safe halo around these communities. The communities do their part to create fire-resistant structures and landscape, and then we will see changes in fire behavior. We will never not have fire in our landscapes, we are just hoping to affect how fire works in these landscapes.

Assemblywoman Anderson:

My question is more for both Senator Schieble and Ms. KC. First of all, I want to give a quick compliment about how much emphasis there is with the Lake Tahoe Basin as well as the Lake Mead Basin. I greatly appreciate the existing language and the attention to these natural forces and how difficult it can be at times to go across state lines and who is in charge. My question has more to do with section 5. I need a little bit more clarification on what would be the critical natural resource projects that you would be speaking about where somebody could not eat at home and where food would be provided based upon the location.

Kacey KC:

I can give you a good example. We had a project where we collaborated with the U.S. Forest Service and local government and local homeowners in the Ruby Mountains. The project was about a two-and-a-half-hour drive, one way, to and from the project. It was a critical project that we all identified as an area of high fire risk and it was our goal to reduce that risk on about 4,000 acres of land. Our crews were hired to do the work. Our crews are camped out of Wells and Carlin. That was the closest area of response that we had to this site. The primary cause of injury in our industry, both from a natural resource perspective and from a firefighting perspective, is travel to and from projects for emergency response. We are always looking for ways to reduce that. For this particular project we had crews working a fire schedule. We worked them for about 16 hours a day, 5 of which were driving to and from the site so that we could increase production onsite. We had costs for overtime, and we had costs for meals that needed to be provided. We have three kitchens run out of our camp that provide meals on smaller emergency responses all across the state. If we had been able to take that kitchen up to this project, we would have increased production, decreased the amount of time on the road, and it would have been much safer and we would have gotten a lot more work done with less cost.

Assemblywoman Anderson:

And that work would be that undergrowth removal, is that the sort of project that you are speaking about?

Kacey KC:

Yes. That project was a thinning project, piñon juniper removal. We were out there taking out some trees, some of the understory growth, and piling it for burning. Following that

project, we did have a fire that came through and slowed in some of those areas and picked up where some of those piles had not yet been burned.

Assemblywoman Brown-May:

I am wondering if you can help to clarify section 6, subsection 6, "Any person violating any of the provisions of subsection 1 is guilty of a misdemeanor." At first I was confused in that it only references subsection 1, but I am thinking that it refers back to section 6, but then when I read section 6, subsection 1, it says the State Forest Firewarden may prohibit or restrict the following activity. It says the fire warden may prohibit the activities, they are then listed, but then it says the person who violates any of those provisions is guilty of a misdemeanor. Is there a way to know whether or not the Firewarden has restricted them?

Kacey KC:

Yes, there is a way for everyone to know if we have gone into restrictions. I think that is your question, so if I do not answer it, please let me know. We publicly post all of our fire restrictions. This is a collaborative effort between state government, federal agencies, and our local government agencies. This year, we were successful in going in and out of restrictions together. Historically, we have gone separately, and it is very confusing for people who may or may not know whose land they are on and what the restrictions may be. It was our goal this year to have restrictions that were at least very consistent across all of those land management partners. My restrictions apply to all state lands in the state. We post them very publicly and we also send out a press release that says we have gone into fire restrictions. Once we terminate the fire restrictions, we also publish that we have gone out of fire restrictions and that it is okay to have campfires in certain areas. State parks are allowed by our restrictions to further restrict if they feel it is necessary in certain parts of the state. This year, unprecedentedly, we went into full statewide restrictions. Usually we go into restrictions that are more localized, but because of the risk and COVID-19 issues we had with getting ground crews for firefighting, we all went into statewide restrictions. It was a lot easier for people to understand this year. It is very well published; people know exactly what those restrictions are. They are published across all of our websites and we do press releases to make sure it is very clear.

Assemblywoman Thomas:

My question has to do with section 9. It concerns the language of the section, especially with what we have seen in California where they have lost whole towns with fires. We have been extremely fortunate that it has not happened to us in Nevada yet. It says, "The Commissioner may create a program for insurers to provide incentives to promote and encourage property owners to take measures to mitigate the risk of property loss or damage caused by wildfire." The question is why "may?" And in subsection 2 it says, "If the Commissioner creates a program." Again, those ambiguous words in there, can we make it stronger? If you did not make it stronger, why not?

Barbara Richardson:

I am going to leave that up to Senator Scheible to respond. I do not think it would make a difference to us at the Division of Insurance if it were stronger. There may have been some arguments at some point from the industry or during the creation of the bill.

Senator Scheible:

Are you referring specifically to section 9 or to an earlier portion of the bill?

Assemblywoman Thomas:

In section 9, subsections 1 and 2, the ambiguous words of "may" and "if."

Senator Scheible:

I think that the intention was to allow for flexibility. There is always a fiscal concern, especially in the current economic climate. We did not want to tie the hands of an agency that might not be able to afford to implement new regulations or develop programs right now. It was not intended to signal to anybody that we do not want them to create this program; it was just an effort to provide flexibility.

Assemblywoman Thomas:

I want to make sure that is in agreement with the Firewarden.

Kacey KC:

Yes, I agree with that. It is our hope that we can create a program like that and incentivize. We have found that trying to mandate these types of things has not always been the best solution to get things done. Providing incentives hopefully gives us a better way of going.

Assemblyman Ellison:

I have a couple of questions I would like to ask. Number one, what is the difference between Nevada Forestry and the Bureau of Land Management (BLM) and the U.S. Forest Service? They have a lot of different guidelines as far as first responders. The ranchers are usually the first responders on the ground; they allowed them to finally get on the fire before we get help there. The other thing is grazing tactics. The Bureau of Land Management and the counties use grazing tactics as much as they can to reduce wildland fires, as well as pruning. The Bureau of Land Management is doing a lot of pruning up in some of these areas like Eureka, Ely, and up in those areas to reduce wildland fires. I know the Forest Service in some of those guidelines does not. There was a fine or a bill where NDF hit one of the counties for over \$1 million to do the jobs that they should have been helping with to begin with. Can you answer some of these, and I hope I did not go too fast. I remember that when they had a meeting on this with the Nevada Fire Safe Council, I was trying to follow as much as I could by talking to people.

Kacey KC:

I hope to try to answer some of those questions. There are differences in the ways that we implement projects across agencies. The federal agencies obviously go through a National Environmental Policy Act (NEPA) process and other processes, so they are held to the

standards in which that public process has gone through. We do work collaboratively on large landscape scale projects to try and make sure that we are implementing the same kinds of practices. We are always looking at current clients to see what is more effective for fire mitigation or sage grouse habitats or whatever it is that our resource objectives are for the projects. Grazing is a tactic that all of us implement in different manners. Obviously, the federal agencies permit grazing on their lands. The state does not have that necessarily, but we use goats to try and reduce cheatgrass in the area. The state was very successful in getting five pilot projects looking at how the federal agencies permit grazing in these ecosystems. We are held to the standard of whatever the practice needs to be. I am not sure what the \$1 million bill was, I am wondering if that is a wildland protection program in Elko.

Assemblyman Ellison:

I am really having a hard time; it is breaking up badly and I cannot make out most of what is being said. I do not want to be disrespectful; I just cannot hear it. I have my speakers turned up to 90 and it is breaking up badly.

Chair Flores:

If it would be worth the effort, my team reached out and mentioned that maybe if we could have you quickly log out and try to reconnect just to see if that provides some resolution here. If we could go into a one-minute recess while we allow Ms. KC to do that.

[The meeting recessed at 9:41 a.m. and reconvened at 9:50 a.m.]

Thank you for your patience as we work through those technological issues that tend to occur during this age. With that, Ms. KC, we will go back to you, and if you could go back a question or two and respond to the members' questions. I want to make sure we get clear what your response was.

Kacey KC:

There are differences between how we implement projects across different landscapes. The Bureau of Land Management and the U.S. Forest Service go through a public NEPA process. Their process is dictated by the results of this public process. However, we are always looking at the best available science, we are always working together to see what treatments are going to have the best impact, and if the BLM is implementing a way and we can implement that way in direct adjacency, we are working together through those processes.

I spoke to grazing tactics. The federal agencies are the ones who allow or permit for grazing on their lands. They do a lot of that. Nevada was successful in getting five pilot projects across the state looking at how we permit those and trying to create more flexibility in the permitting, as a lot of the processes of the past were hindering us in meeting resource objectives on the ground. By being a forward-thinking state where we have been working together for quite some time, we received five pilot projects while other states in the West only received one. I think they have had great success in that program. From a pruning perspective, we are always looking at the same sciences. The piece I was unsure of how to

answer was the \$1 million bill. I am wondering if that was related to the Wildland Fire Protection program in Elko County, Assemblyman Ellison?

Assemblyman Ellison:

Yes, it was. I know it was over \$1 million. I was just handed the Property Casualty Insurance Association letter [\[Exhibit E\]](#) and the testimony from the Insurance Commissioner [\[Exhibit D\]](#) with the concerns on section 9, and I had the same concerns, as did other colleagues that spoke. Was there any way to amend this for protection to these small counties?

Kacey KC:

I will speak to the wildland fire protection program portion. When the WFPP began, we did not have a formula that could be given to participants. As you may or may not be aware, we began the program in state fiscal year 2014. The science behind how they spread the costs was based on professional knowledge of risk and costs. However, we have since created a formula that was done in the last session that looks at the costs to the state for these fires. We take out everything that we get reimbursed through cost-share through our federal partners, through FEMA grants, all of those things. It is only the cost on behalf of the participating jurisdiction that the state is extending on their behalf, in addition to the risk that is on their state, private, and county lands only—only those areas that they have jurisdiction over. We had a panel of local government fire chiefs, and we included the Elko County fire chief in the creation of this formula. They did not love the formula output. We had no better way to assess risk. I have said this in the past, the problem with Elko is, as a large county in Nevada, they have a lot of private land ownership, they are checkerboarded more than other counties, and they have high fire activity and high fire risk. That all goes against them in this formula. They did go from about \$500,000-\$600,000 buy-in to a little over \$1 million. However, we have all of the backup documentation for the past almost nine years to show that the state on behalf of the jurisdiction has paid well above that every year for wildfire costs. We provide that to them every year. As you may recall last session, because of the steady increase, we were asked to break them in slowly. They are not currently paying that price. We contracted at a lower rate. We are currently rerunning the formula right now with three more years of exact costs and we will start negotiating the contracts for this coming July 1 in the next couple of weeks.

Assemblywoman Anderson:

I really appreciate that little bit of a break because it gave me an opportunity to double-check one more piece of information. Is there a reason why general improvement districts or incorporated cities are not included in the interface or discussions? Is there a plan to include them in other ways?

Kacey KC:

They are incorporated. It depends on how the county has been formed as a fire district. Some are formed differently under NRS Chapter 477. If the county is responsible, then the county is the participant in the WFPP as a whole, covering the entire county and all that is within. We did it based on how they are formed and at their request. Originally, we had

looked at Clark County as an entire entity, and they asked us to break that up into participating entities. Some, as you will see, are actual counties as participants, some are cities or fire protection districts.

Assemblywoman Anderson:

Although it is not necessarily set out in this proposed language, since it is not currently specified, a group can ask to be a part of this?

Kacey KC:

They could ask. The group would have to have fire jurisdictional responsibility for the lands that are within that particular area. We have looked at other entities. Most of the fire protection districts, counties, or whatever the fire entity is cover almost all of the state with protection. We exclude the federal land management agencies, as they have their own process.

Chair Flores:

I do not believe we have any more questions. Ms. KC, I hate to task you with this homework. But for the sake of clarity, and so all members have an opportunity to have their questions addressed and hear you thoroughly, if you could provide our Committee Manager, Ms. Judi Bishop, with an email with those clarifying points that you made previously. Then, we will disperse those amongst the members. That way everyone will have your responses. You can do it in a much more succinct manner, and you do not have to do it right now. I do see Assemblywoman Black has an additional question.

Assemblywoman Black:

First, I was curious. It says the firewarden shall cooperate with federal, state, and local agencies in restricting the broad base of activities if there is a risk of fire. I wonder why you would bluntly choose to make that a "shall" versus a "may."

Kacey KC:

The reason we would choose to put it as a "shall" is because it is confusing in the state of Nevada, because of land ownership patterns, where you might be recreating and on whose land you might be, given that we have a lot of wide open spaces. Some of it is public, some of it is private. It is our goal to work together to try to implement fire restrictions. There are times when we cannot come up with the same answer and so the BLM may enforce different restrictions than the state. That is okay; we do that at times too. The "shall" is that we shall at least coordinate together so that if there are differences that we put out, we can at least speak to that difference to the public so that there is not any confusion. Our goal is to try to reduce confusion for those who are recreating in the state.

Assemblywoman Black:

My second question is around the program to incentivize people. It says the Commissioner may create a program for insurers to promote and encourage property owners to take measures. It does not define what those incentives are. Can you give me a couple of examples or explain why there are not incentives specifically laid out?

Barbara Richardson:

One of the reasons it is not specifically laid out here is that it depends on the area you are in. For example, you were talking about Elko, where there are Great Plains versus the Tahoe Basin. There might be different incentives based on the fire lines or the type of property the environment protections are trying to take into account. There is not a one-size-fits-all. We are trying really hard to use the science of the area, the science that we have been able to pick up working with the fire wardens, economists, fire specialists, and natural disaster specialists who put out predictive models. As far as incentives, what we are hoping to do is work with the insurance carriers because what insurance carriers find is they will go along and be fine in a particular area, and we push and push to make sure there is coverage, but there is not a lot of protection for the insurance carrier if there is a fire in that space as well. The consumer is harmed, and the carrier is harmed because they have to take on a large risk all in one shot. What we are trying to do is figure out ways to balance that so there are more insurance opportunities for more consumers. It is going to be different in different areas based on the fire risk.

Chair Flores:

Are there any further questions? [There were none.] Seeing none at this time, Ms. KC, I would appreciate if you could help us with that homework assignment. I think it would be very helpful to clarify any lingering questions. At this time, I would like to go to those wishing to testify in support.

Kyle Davis, representing Nevada Conservation League:

We are here today in support of A.B. 100. We appreciate the bill's sponsors for bringing it forward. The environmental impacts of large-scale wildfires are pretty clear at this point and the devastation that it does to native ecosystems, to our wildlife and plant populations, is clear. This bill offers an opportunity to both better prevent wildfires in the first place, and if they do happen, to be able to better fight those and keep them from becoming as devastating as we have seen in recent years.

Chair Flores:

If we could go to the next person wishing to testify in support of A.B. 100. [There was no one.] At this time, I would like to invite those wishing to speak in opposition to A.B. 100. [There was no one.] If we could please go next to those wishing to speak in the neutral position for A.B. 100. [There was no one.] I know our Senator had a conflicting schedule at 10 a.m. and had to sneak out. Ms. KC, if we could come back to you with any closing remarks you may have.

Kacey KC:

I do not have any closing remarks. I appreciate the opportunity to speak. Hopefully you heard a little bit of it today. I will look at what was asked and then provide that backup.

[[Exhibit E](#) was submitted but not discussed.]

Chair Flores:

With that, I would like to close out the hearing on A.B. 100. We do have Assemblyman Yeager, who is going to be copresenting Assembly Bill 139. At this time, I would like to open up the hearing on Assembly Bill 139.

Assembly Bill 139: Revises provisions relating to local governments. (BDR 31-524)

Assemblyman Steve Yeager, Assembly District No. 9:

It is my pleasure to be presenting Assembly Bill 139 to you this morning, and it is a pleasure to appear in front of this Committee for the first time this session. Mr. Chair, with your permission, what I would like to do is make some brief introductory remarks, and then I will hand it over to a few experts who are on Zoom with us today. Those experts include Nat Hodgson, from the Southern Nevada Home Builders, who will give a brief history of the bill, then Mr. Todd Ingalsbee, with the Professional Fire Fighters of Nevada, to discuss what the bill will mean for the public and his members, and then after that, Mr. Matt Walker, also on behalf of the Southern Nevada Home Builders, who will give a brief rundown of the bill itself, and then we can take questions.

Every once in a while you get to work on legislation in this building that tangibly and directly impacts your Assembly district. Assembly Bill 139 is one of those bills, and I feel very fortunate that the proponents brought this to me and asked me to sponsor it. You will also note that Assemblywoman Gorelow is a cosponsor as well as Senator Scheible. Assemblywoman Gorelow and I are nestled in Senator Scheible's Senate district, which is also in southwest Las Vegas. We are all excited about what this bill could mean for southwest Las Vegas. As many of you know, growth in the southwest, in Clark County, has been tremendous over the past few years. The Assembly district hardly resembles the district that I first ran in back in 2014. As a result of that explosive growth, infrastructure has yet to catch up, including fire stations. Just a couple of weeks prior to session, an unoccupied apartment complex about a mile from my house caught fire. The flames could be seen from miles away, and the firefighters fought valiantly through the night before containing the fire, and thankfully, nobody was harmed or injured. What this bill is going to do functionally is allow additional fire stations to be built to service the southwest part of Las Vegas, ensuring adequate response times to emergency situations, thereby improving public safety and the safety of the community. Mr. Chair, that concludes my remarks, and with your permission, I would like to hand it over to Mr. Hodgson to talk a little bit more about the history of the bill.

Nat Hodgson, Chief Executive Officer, Southern Nevada Home Builders Association:

About 20 years ago, the Southern Nevada Home Builders Association (SNHBA) was a part of a working group to identify funding sources in the southwest valley to fund public infrastructures, including parks, public safety, and transportation, which resulted in the implementation of a public facilities needs assessment (PFNA) fee for fire service. After the Great Recession, the fees never caught up with inflation, and the county and industry were met with a significant gap in funding this critical infrastructure. In 2019, under Chair Marilyn Kirkpatrick and Commissioner Justin Jones' leadership, a group of stakeholders got

together to support indexing to the PFNA and a 100 percent increase, but those dollars still cannot meet the need for the gap that is existing today. The bill before you today is the result of over a year of working towards creative solutions to meet the need. The issue lies in the existing gap and needing two fire stations very soon. As you will see in the PowerPoint presentation, all developer fees for permits and plans are paid into the building enterprise fund [page 2, [Exhibit F](#)]. An advisory committee of county staff and administering representatives oversees the fund. As custodian to these funds and as an industry member who is committed to funding target service levels, a healthy balance of these funds is critically important to me. I or a member of my staff currently sit on the advisory committees of Clark County, the City of Henderson, and the City of Las Vegas. I have served on the county's building enterprise fund advisory committee for about eight years and I still currently serve on it as well. The PowerPoint has provided you a map of the targeted fire service levels in unincorporated Clark County [page 4]. We want the Committee to hear from an expert, so Todd Ingalsbee, President of the Professional Fire Fighters of Nevada, will now talk through the service level maps and provide additional comments on what service levels mean for members of the public and his membership. Afterwards, Mr. Matt Walker will go through section by section.

Todd Ingalsbee, President, Professional Fire Fighters of Nevada:

As you heard from the other presenters, Nevada has grown and continued to grow. It is vital that we have the infrastructure in place to be able to provide a sense of social safety. As you can see in the heat maps, we are behind in the southwest valley in southern Nevada, but this is an issue for the entire state. We are here asking for your help for this bill. This bill will help current and future residents, along with the millions of visitors we hope to have back in our state soon. The lack of fire stations and personnel creates a safety concern when we are not able to meet the minimum standard of a four-minute response. What that means is when you call 911 in an emergency, we should have fire personnel to your location within four minutes. If your mom, dad, brother, sister, son, or daughter is having a heart attack or is drowning, four minutes is a long time. Imagine if it was six, eight, ten minutes before you had fire department personnel at your door starting to initiate care. I am not sure if any of you have ever called 911, but four minutes can seem like an eternity. Everything we do as a fire department is based on getting to the emergency as fast as possible to get the best outcome. We are taught very early on in our career to treat every person as their family. When considering this bill, I would ask this Committee to do the same. If your family member is having a heart attack, if your son or daughter is drowning, or if your house were on fire, what would you want, a four-minute response or a ten-minute response?

The state continues to see massive growth, especially with our large master-planned communities just like in the southwest, in the northwest of Las Vegas as well, in the rural area. People are buying dream homes, and they do research when they are buying their dream homes about schools, proximity to work, grocery stores, but what is often forgotten is where is the closest fire station. Most people assume that the city or county is ensuring that all homes are only built if the basic safety infrastructure is in place. Unfortunately, that is not the case. If the closest fire station is ten minutes away with lights and sirens, that can be detrimental to a person's health, their safety, their home. We wish we could be at every call

within four minutes. Anything over four minutes is unacceptable. Thank you for your time and consideration of this bill. This bill, if passed, will save lives. I will pass it to Matt Walker now to go through the bill.

Matthew J. Walker, representing Southern Nevada Home Builders Association:

I am going to do a brief section-by-section, just to orient the Committee to what I am going through. I am presenting the bill as amended by the amendment that was also submitted for the Nevada Electronic Legislative Information System [[Exhibit G](#)], for folks that are following along. Section 1, subsection 1, paragraph (a) makes it clear that this bill is targeting money and building fund reserves that are over the statutory cap set by NRS 354.59891. Section 1, subsection 1, paragraph (b) states that the local government must have adopted the findings of a PFNA pursuant to NRS 278.02591 within the date specified that identified the need for additional fire stations. Section 1, subsection 2 makes it clear that funds transferred for this purpose are exempt from the cap in NRS 354.59891. In recognition that this is a temporary authority granted to local government with the intent that they act quickly to address the identified need for fire stations, section 1, subsection 3 sets timelines for the transfer of funds and the return of all unused funds. If the Committee adopts the proposed amendment [[Exhibit G](#)], developed in coordination with Clark County, local governments will have until June 30, 2022, to transfer eligible funds and must return all unspent funds by January 1, 2025. Lastly, section 5, subsection 2 sets an expiration date for this temporary enabling statute. The proposed amendment proposes to change the sunset date to June 30, 2025, in the spirit of giving local governments the time that they need to complete the construction and return those funds.

In closing, I would like to thank Assembly members Yeager, Gorelow, and Senator Scheible for helping lead this important public safety conversation by sponsoring A.B. 139. I would like to thank the Nevada Resort Association, MGM, Red Rock Resorts, NAIOP [Commercial Real Estate Development Association], and all the very important enterprise fund stakeholders that allowed this conversation to progress forward. I would like to thank Commissioners Kirkpatrick and Jones, and Clark County Building Official Jerry Stueve for their leadership and open communication on this proposal. I think that this bill is a real credit to the southern Nevada development industry and elected representatives from this area. When presented with a challenge that was compounded by the crisis that we are seeing in the budgets of local government due to COVID-19, they invited folks to the table and were willing to step up and identify an outside-of-the-box solution, and we are very pleased to be presenting it to your Committee this morning, Mr. Chair. With that, I will conclude and stand ready for questions.

Chair Flores:

Thank you. I appreciate the thoroughness of the presentation and the number of folks we have on here. I know there are a lot of bright minds here that can walk us through any questions we may have. At this time, I would like to open it up for questions.

Assemblyman Matthews:

I had a question regarding a comment that was made about the need for this bill in the context of rapid growth in the southwest and infrastructure not being sufficient to keep up with all that. The question would be, and it sort of gets to the slippery slope issue, are you aware of any other infrastructure shortcomings in the southwest that you think might cause you to come back and seek additional transfers from the enterprise fund in the future? I know the bill is limited to fire stations, but I am wondering if you anticipate this as a potential first step toward additional measures, other infrastructural needs that you identify in that part of the valley.

Matt Walker:

I will step in and start the response to that question. With many of the questions that I anticipate from this Committee, the caveat is going to be Clark County will certainly speak for themselves when it comes to their need, their budgeting process, and the timing of transfers, et cetera. Public facilities needs assessments are a powerful tool of local government to ensure that growth and demand on infrastructure driven by growth across a wide spectrum of categories is addressed. We encourage local governments to have those conversations and revisit them on a regular basis so that we do not fall into the situation similar to the one we are seeing now with fire station funding. I would say it is a rapidly growing area with a wide variety of needs, and we are always at the table with the county and other stakeholders in local government across the valley that are seeing similar growth patterns to ensure we are meeting those needs. As part of every community, we are obviously planning for fire hydrants, water pressure, and many other infrastructure items related to firefighting capacity. This just happens to be one where I feel like we fell short when it came to future planning on the actual physical location of fire stations themselves.

Chair Flores:

I think it would be helpful for the members to understand where the genesis of this fund started, where the conversation started, where this money is coming from. I do not necessarily think that members have a full grasp on that. If we can go all the way back, understand why we have this fund, where we are collecting this money from, who is paying into that, and then if we can come back to the bill, just so we are all on the same page.

Matt Walker:

I will start the response here and will hope that presenters chime in if I miss anything. Enterprise funds, under NRS Chapter 354, are something that local governments can set up. Barricade permits, plan fees, and building permits, those revenues accrue within that enterprise fund. Local governments that have this specialized fund use these funds to fund two key components. One is staff, the folks that can provide the service levels that industry needs in order to continue growth in a thriving economic environment. The second purpose of those enterprise funds is for any capital needs associated with the processing of building permits. The actual building itself, the computer equipment, and other physical needs associated with the building department are all provided for by the enterprise fund in jurisdictions that have set up an enterprise fund for this purpose. Mr. Chair, statute is very

clear that this money goes in and can only be used for those purposes expressed in NRS Chapter 354.

Lastly, I will conclude by saying another key component for today's discussion is NRS Chapter 354 limits how much can be held in reserve for these building enterprise funds. Local government cannot exceed more than 50 percent of the annual operational needs of the building department plus any capital expenditures for two consecutive years. Typically, when you have an overly healthy fund reserve, you burn those additional funds off by increasing the number of capital improvement projects or lowering permit fees to ensure that you do not hit that second year over and above the cap. We happen to be in that fortunate circumstance in Clark County with a very healthy enterprise fund reserve, and we think that it is a better use of the money than burning it off with additional capital improvement projects at the building department or lowering permit fees in a future year. We think it is the highest and best use to get these funds over to start construction of fire stations as soon as possible.

Assemblywoman Black:

I am familiar with the fire station problem and ambulance problem. I was on the city council in Mesquite and we have this exact problem with a fire station right next to our city hall, and we are trying to figure out how to upgrade and renovate it. I have a couple of concerns. One is if there is so much excess money in these enterprise funds, is it possible that we are charging too high of a fee? That is more of a rhetorical question, but that is something that is popping up in my mind as we are talking about this. It is my understanding that, as Mr. Walker described, these enterprise funds are set aside to run these departments. We have been very fortunate, the housing markets continue to grow, developments continue to grow. What happens if we do not see that continue? If there is a downturn, what happens to these departments if they do not have money to go forward? Do they have to be paid for out of the general fund?

Matt Walker:

I will defer on the portion referring to what would local governments do in the case of a shortfall in the enterprise fund. For clarity's sake, I think it is really important for them to make the record on that issue. I will say that a healthy fund and the service levels associated with a healthy fund are critically important to the Southern Nevada Home Builders and other members of the development community. That is why they sit on those building enterprise fund advisory committees and meet on a regular basis to monitor the health of those funds. I think it is fair to say that, largely, the excess of fund reserves in Clark County is due to several large projects creating a bubble in increased revenue that moved its way through the chain. You can think of some large projects that have been completed in unincorporated Clark County recently. I think that over and above anything else, a change in staffing level, a change in capital expenditures, and a change in the levels of your typical development activity with smaller shopping centers and homes have all stayed pretty constant. I think that it is fair to say that the fund balance is reflective of some really large projects working their way through the pipeline.

Assemblywoman Black:

I guess Mr. Walker was going to defer to somebody else to answer what the municipalities would do if there was a downturn, but I do have a follow-up question for Mr. Walker. Clark County already collects a PFNA fee. Does that fee include fire stations?

Matt Walker:

I think it is important to highlight that there is a PFNA fee for the southwest area, as Mr. Hodgson highlighted briefly in his testimony. It has been in place for about 20 years now. What happened is they were put in place in the early 2000s, pre-Great Recession, and the area really exploded in growth post-Great Recession, and those fees had never been indexed or otherwise adjusted to reflect the higher construction costs that we see today. So, the home builders came to the table along with other development community partners, increased that fee by 100 percent, and indexed the cap and the fee going forward. We hope to never be in this position again. In the southwest, along the lines of where we are at today with the gap in fire service infrastructure funding—the short answer is this bill would fill that gap—but we have already taken steps in coordination with Commissioner Jones and Commissioner Kirkpatrick and staff to ensure that we never end up in this spot again.

Chair Flores:

Is your follow-up for Mr. Walker? What we could do, Assemblywoman, is go to Clark County and get their intent on the record. Let us do this, we will remain with the questions for Mr. Walker, and then after we will go to Clark County.

Assemblywoman Black:

I do not know who this would be for, but it is my understanding right now that, as it stands, the enterprise funds can loan money. My first question is what do we do in the case of a downturn? My second question is, why not loan the money and then repay it? That way we are not raiding these funds.

Matt Walker:

Another great question, Assemblywoman Black. I would say that Clark County can probably touch on this issue as well, but essentially, because statute would not allow them to hang onto this money, it would have to be returned or burned off in other types of capital improvement expenditures. There simply would not be the ability for them to loan the money over because they would not be able to retain it for that second year, which exceeded the statutory cap in NRS Chapter 354. A transfer really is appropriate in this circumstance. Because the need is driven by development, we feel like, although it is important that it is a temporary and one-time authorization, it is an appropriate use of those funds.

Chair Flores:

Thank you. We can go to Clark County. I think the sentiment of the first set of questions we have got, specifically in this Committee, is we have heard the word "sunset" used all too often, and there is a concern that we consistently keep moving the goalpost, and we set these sunsets and simply come back every session and keep setting new sunsets. I think that was one of the concerns that was brought up. The second is, when we originally talked about this

enterprise fund and the buy-in from folks with one expectation, now we are talking about potentially utilizing it in a different way, with the caveat of understanding that we need these things. Obviously, we need fire departments. If you could get into that, and Clark County, if you could set the record straight on the intent, desire, and what we are going to be doing in the future, so that we can leave a paper trail on what the intent is now. Should we have a conversation similar to this in two years, the members have an opportunity to come back and say, Look we had a very candid conversation about this, and it was put on the record. It was very clear what the intent was then, why we were doing that at that time, and here was the commitment that we were not going to continue this cycle where we just have [unintelligible] escaping where we originally started this conversation on these funds.

Joanna Jacob, Government Affairs Manager, Clark County:

I apologize for my appearance. I was not expected to be on Zoom, I am working from home today. I think the concerns were adequately addressed by Mr. Walker. He has explained that part of the reason we have such a health and viability of this fund right now is because of large projects that he has identified. The reserve requirement that is in statute is there for a reason, because the building department at Clark County is an enterprise fund, so they are still supporting in that sense.

Assemblywoman Black, I am trying to get an answer for you on what we would have to do. If the economy turns around and those projects do not continue, there would be a concern on this and we would have to reassess because the point of that reserve is so we do not have to reduce services and that the department is self-supporting.

Mr. Chair, if I may, the conversations that were ongoing during the interim and when we were in the cycle were whether we would have to reduce fees. That is one of the statutory requirements for this type of fund, and we really have taken a look, as Mr. Walker noted, on a needs assessment, on the gap funding, and that is really the genesis of where these conversations came. It is limited to fire at this time. That is our biggest community need at this time that we feel was identified. That public facilities needs assessment was directed by our board. I want to make it clear that our board does not want to kick the can down the road on the need for public safety. We are on a countywide basis, and so they are monitoring this in an ongoing fashion. The reason we see the sunset, Mr. Chair, is because we are watching this and seeing if conditions change. That is why we wanted to put a sunset on it, because we do have the fund in a healthy place right now and we feel that we could divert some of the funding there to meet our fire station needs.

Matt Walker:

I did not want to step on toes. Thank you for the second opportunity to answer this question. I am aware of a circumstance, for instance in the City of Henderson during the Great Recession, where the general fund did come in and supplement staff levels in the building enterprise fund, and then the building enterprise fund paid back the general fund as permit revenue emerged from the depths of the Great Recession. That certainly is the mechanism that I am historically aware of, and I imagine that local governments would take a similar approach should the pandemic lead to similar circumstances.

Assemblywoman Black:

I hate to harp on this. I know Ms. Jacob said that they are contemplating a reduction in fees. I think that if this is a problem, that we are going to have more of an amount of money that is allowed to carry over to these funds, I think that it is really important that we lower those fees. As you said, the need is in fire right now, but I can tell you there is always going to be need. You will solve this need and then something else will come up. As long as there is an excess amount of money in this fund, which there should not be, then there will always be something to spend it on, and that is my concern.

Assemblywoman Anderson:

I have two questions. The first one is for Mr. Ingalsbee, or maybe for Mr. Walker. I wanted to verify that, although right now the line of questioning has been concentrating on Clark County, this is for any city or county government that has a building enterprise fund, is that correct?

Matt Walker:

This is for any local government that has a building enterprise fund, has funds that are in excess of the reserve amounts identified in the bill, and has conducted a PFNA pursuant to NRS 278.02591. For members who have had a chance to peruse that chapter and refresh their memory on the structure, that is in the section associated with regional planning whose population is 700,000 or more.

Assemblywoman Anderson:

My second question is more directed towards Assemblyman Yeager. Is there any sort of discussion about possibly changing or even adjusting the bill where it would also be able to utilize these funds for retrofitting already existing buildings, or is it only for the building of new stations?

Assemblyman Yeager:

I think this just contemplated the building of new stations, at least as the bill is presented to you. Mr. Walker has been a little more intimately involved in some of those conversations.

Matt Walker:

I have had a discussion with Mr. Ingalsbee and other Professional Fire Fighters of Nevada stakeholders that suggested, similar to other impact fees, similar to the residential construction tax use that is collected in a similar manner, that infrastructure generally driven by the need for new development may be an appropriate use of these transferred funds. We will engage with the bill's sponsor after today's hearing to see if there is a concept that we can land on. But, as Assemblyman Yeager indicated, this really is to solve a pretty specific set of circumstances, and I think that the engagement and problem-solving conversations that have been had on this bill have been really centered around a Clark County context in this particular set of circumstances.

Assemblyman Ellison:

I would like to open up with a couple of questions for Mr. Hodgson about his testimony regarding the building fund. How many counties have a building fund that would fall under this? I do not know very many that would fall under this. And if the county does have a fund, would not some of that money go to streetlighting and stop lights and some of these new subdivisions out there that have too much burden put on them? I know our enterprise funds do wastewater, landfills, water, airports, and that kind of stuff. I know that our building permits go up to help pay for some of these other things, which goes back into the county or the cities, so could you tell me how many building funds there are out there that collect this fund?

Nat Hodgson:

I do not know 100 percent of the particulars. I believe the way the bill is written, the enterprise fund that would be applicable to would only be Clark County. I know that, as far as enterprise funds go in southern Nevada, I am aware of three municipalities that have an enterprise fund: Henderson, Clark County, and the City of Las Vegas. It is dependent on just the services for building, and as Mr. Walker indicated, capital improvements to the building which houses the employees that the enterprise fund pays for.

Assemblyman Ellison:

I appreciate that, but it did not say strictly Clark County in the bill. Maybe I misunderstood, but I did not see that.

Chair Flores:

Assemblyman Ellison, just for a point of clarification, I think Mr. Walker addressed this by referencing the population cap, which is helping to trigger narrowing this down to a specific section. Mr. Walker, if you could reference that section again.

Matt Walker:

That section that you referenced was NRS 278.02591. This is a section that allows for large counties to conduct a PFNA and assess a variety of infrastructure needs driven by the development of an undeveloped area, including fire protection.

Assemblyman Ellison:

One of the questions is, does the building fund that is collected help some of the offsets for streetlights, stop lights, these kind of things? I am not familiar with that fund. I know that they have problems with growth. I understand that quite well.

Matt Walker:

The short answer is no. Building enterprise funds can only be used for the services directly associated with providing permits, barricade permits, building permits, et cetera. Any streetlights, traffic lights, et cetera are typically paid for by the developer as they come in, develop a parcel of land, and then they turn it over to the county. That is certainly something development pays for along the way, it just does not happen to be through the building enterprise fund structure.

Assemblywoman Brown-May:

I do have a couple of clarifying questions. First, I want to thank you for meeting with me to talk this through, even long before this presentation. I want to go back and really be clear, you are representing the Nevada Home Builders Association and the membership. Is that where this money is coming from? The homeowners, are they paying into the enterprise fund? That is my first question. They are the ones interested in utilizing this fund to be able to develop infrastructure in the location that they are building homes; that is sort of what I am taking away here. Can you talk to us about impact fees? Would they be more appropriate here? Why is this the right way to go? Why are the county and home builders moving in this direction?

Matt Walker:

If there is any additional clarity needed from Ms. Jacob on behalf of the county, I welcome that. Generally speaking, the home building industry does pay into this fund. There are several other stakeholders in commercial development and gaming, of course, that also pay a significant amount of these building permit fees. But yes, this is essentially the development industry saying, Instead of using it for this type of infrastructure, we really think it makes sense to use it for fire infrastructure. It is a unique set of circumstances where we have run into a pandemic and had the county's budget impacted by that, while also having several large projects come through the pipeline that have created a significant amount of excess reserves. While we have increased the impact fees for this area and indexed them to allow for further growth in the fees so that they keep up with construction and inflation, we really have a unique situation where we have a one-time reserve excess and a one-time need, and we think it makes more sense to transfer these funds on a temporary basis and have that need addressed. The other option would be to further increase impact fees and allow those funds to accrue in an account, and then use that for fire structure funding. That is certainly what is going to happen with the remaining PFNA dollars that were referenced in Mr. Hodgson's testimony, but we think that this is the absolute quickest and most equitable way to stand up this infrastructure, and that is why we are here before you today.

Chair Flores:

Members, if you have any additional questions, feel free to unmute yourself and state your name for the record. I do not see any in the chat, but I want to make sure that I did not accidentally skip anybody. [There was no one.] Seeing none, members, I want to thank you for your questions. We are engaged in a rather complex conversation that dates back quite a bit. You are raising concerns that are often brought forth to this Committee when we talk about sunsets and when we talk about the purpose of a fund and then potentially using it differently. I appreciate everybody engaging in that conversation. At this time, I would like to go to those wishing to speak in support of A.B. 139. I do believe we have Mr. Thompson, who I have previously gone to, wishing to speak in support.

Steven Thompson, President, Clark County Firefighters:

I appreciate the opportunity to talk to you today about A.B. 139. Clark County Fire Department is lacking resources in the southwest part of the valley as mentioned in the presentations today. In the past, the previous fire chief, Greg Castle, and I did spend some

time with all of the county commissioners and identified a need in the southwest area for additional stations, including up to seven stations to make the coverages, as Mr. Ingalsbee had mentioned earlier. The time and the response area have grown so much in that region due to the amount of growth, and we need to get some new stations in that area. Our resources are limited; our ability to build new stations is limited based on the current pandemic. After our presentation about a year ago with Greg Castle, the previous fire chief, all of the commissioners did agree that we needed new stations. They put on the table four more stations in that exact area in the southwest. We asked for seven, we need more than that. We have two coming online this year and the other two are in question based on the lack of funding through the general fund because of the pandemic that we are experiencing right now. If there is anything that we can do to help, please let us know. We are 100 percent in support of this. We need resources in the southwest part of the valley.

Joana Jacob:

We are testifying in support today of A.B. 139. I wanted to put some timelines on the record on construction. As the gentlemen who have testified on this have spoken to, we are in support because this does fund a critical need for our community, for the fire stations, and Mr. Thompson noted our general fund challenges. We were just here before you talking about the challenges we have faced with the county budgets. I do want to clarify one piece of testimony. Even though Mr. Walker noted the City of Henderson has supplemented with general fund revenues, it is not necessarily a decision Clark County may make. That is not the purpose of an enterprise fund. It is to be self-supporting so that we cannot take those funds for general fund purposes; that is a decision for Clark County. We do have a different enterprise fund, to Assemblyman Ellison. Our airport is also organized as an enterprise fund.

Just two points of clarification. I heard from Mr. Walker that there were some questions about the timeline of construction of these fire stations. As Mr. Thompson noted, we do have some on the books. The point is new stations. We are hoping with the timelines negotiated in the bill—thank you to Mr. Walker and Assemblyman Yeager for accepting the amendment—because that gives us a little bit more flexibility. The average timeline for construction of a new fire station from design through construction is about three years for Clark County. As soon as these funds can be audited, they are subject to audit. That is why we asked for that change to June 30 of next year, so that we can know exactly what funding can be transferred, and then we can have certainty. Once those funds have been appropriated by our board, we can have designs. That should take about a year. We are hoping that we will be able to get a new station constructed within the timeframe presented in this bill. That is why we are in support. Thank you for bringing me on. I am happy to provide clarification to any Committee member after this meeting.

Chair Flores:

I am checking to see if we have anybody else on video wishing to testify in support. [There was no one.] At this time, if we could go to those on the phone wishing to testify in support of A.B. 139. [There was no one.] At this time, I would like to invite those wishing to testify in opposition to A.B. 139. [There was no one.] At this time, I would like to invite those

wishing to speak in the neutral position to A.B. 139. [There was no one.] Assemblyman Yeager, if you would like to come back and give any closing remarks you may have.

Assemblyman Yeager:

Thank you so much, Mr. Chair. I want to thank the Committee for hearing the bill today. I thought there were very good questions that were asked. I want to thank those who are on Zoom with me. They really did the hard work of talking to people in the interim, finding the solution, and I feel fortunate that they came to me and asked me to carry this bill. I am certainly willing to keep working on anything that you might see needs to be fixed, Mr. Chair, and I am hopeful that we can get a couple of fire stations built, particularly in the southwest, to make sure response times are adequate to protect the public safety and health of the residents of that part of town.

Assemblyman Ellison:

Assemblyman Yeager, thank you. I think it is important that we look at the districts and the needs for each district. That is why I asked what bill that was. I really appreciate that. If we can address each district on some of the common things that they need help on, I think that that is supportive of the people in that district. I know that the whole state is different. That is why you do not go by population caps anymore, but we can go by problems we have.

Chair Flores:

Thank you to all who copresented. The information was very useful, and we appreciate your coming ready. [[Exhibit H](#) was submitted but not discussed.] With that, we are going to go ahead and close out the hearing on A.B. 139.

Next, I would like to invite those wishing to speak in public comment. [There was no one.]

Just some quick cleanup. Members, I just want to remind you that when we are meeting, although we are doing it virtually, we respect quorum and we treat the virtual meeting as if we were sitting at the dais. Anything that we would not do at the dais, we refrain from doing on camera both for respect and ensuring that we are focusing our entire attention on the presenters. On top of that, I also wanted to make sure that we are sending a clear message and that we are taking this very seriously. Please, once the meeting starts, you are sitting at the Committee meeting, you are sitting at the dais, and I expect us to continue to respect that.

Thank you to our broadcast team. I know we had a bunch of technical issues. That is normal, we expect that, and I appreciate your working through that. I will ask that moving forward, and I say this publicly so that nobody ever takes offense to this, but broadcast, if at any time you ever see that the presenter is having issues with their sound, although it is the preference of the Committee to have them appear through the virtual Zoom meeting, if we are having that sound issue, I ask that you disallow them from doing the virtual Zoom meeting and that you ask that they do the phone. It is to your benefit that the members can hear your responses. Moving forward, it will be the standard of this Committee that, if you are having issues with audio, we are going to ask that you call in instead of joining us virtually.

With that, members thank you again for the thoughtful discussion today, I really appreciate everybody engaging. I look forward to working with everybody on these two bills. With that, this meeting is adjourned [at 11:00 a.m.].

RESPECTFULLY SUBMITTED:

Zachary Khan
Committee Secretary

APPROVED BY:

Assemblyman Edgar Flores, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is written testimony dated February 25, 2021, presented by Kacey KC, State Forester Firewarden, Division of Forestry, State Department of Conservation and Natural Resources, regarding Assembly Bill 100.

[Exhibit D](#) is written testimony dated January 25, 2021, presented by Barbara Richardson, Commissioner of Insurance, Division of Insurance, Department of Business and Industry, regarding Assembly Bill 100.

[Exhibit E](#) is written testimony dated February 25, 2021, submitted by Mark Sektnan, Vice President, American Property Casualty Insurance Association, in opposition to Assembly Bill 100.

[Exhibit F](#) is a copy of a PowerPoint presentation titled "Enabling legislation to find creative solution to fund fire service infrastructure," dated February 25, 2021, submitted and presented by Matthew J. Walker, representing Southern Nevada Home Builders Association.

[Exhibit G](#) is a proposed conceptual amendment to Assembly Bill 139 titled "Assembly Bill 139 Conceptual Amendment," dated February 25, 2021, submitted by Matthew J. Walker, representing Southern Nevada Home Builders Association.

[Exhibit H](#) is written testimony dated February 25, 2021, submitted by Jonathan Leleu, representing NAIOP Commercial Real Estate Development Association, in a neutral position to Assembly Bill 139.