

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

**Eighty-first Session
May 12, 2021**

The Senate Committee on Government Affairs was called to order by Chair Marilyn Dondero Loop at 3:37 p.m. on Wednesday, May 12, 2021, Online and in Room 2149 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator James Ohrenschall, Vice Chair
Senator Dina Neal
Senator Pete Goicoechea
Senator Ira Hansen

GUEST LEGISLATORS PRESENT:

Assemblywoman Lisa Krasner, Assembly District No. 26
Assemblywoman Rochelle Nguyen, Assembly District No. 10
Assemblywoman Shondra Summers-Armstrong, Assembly District No. 6

STAFF MEMBERS PRESENT:

Alysa Keller, Policy Analyst
Heidi Chlarson, Counsel
Suzanne Efford, Committee Secretary

OTHERS PRESENT:

Eddie Ableser, Nevada Police Union
Troyce Krumme, Las Vegas Police Managers and Supervisors Association
Jim Hoffman, Nevada Attorneys for Criminal Justice
Christine Saunders, Progressive Leadership Alliance of Nevada
Cyrus Hojjaty
Michael Willoughby, Battle Born Progress
Chuck Callaway, Las Vegas Metropolitan Police Department
Eric Spratley, Executive Director, Nevada Sheriffs' and Chiefs' Association

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Michael Pagni, Heinz Ranch Land Company
Donald Pattalock, General Manager, Heinz Ranch Land Company
Steve Walker, Storey County; Lyon County
Dan Morgan, Builders Association of Northern Nevada; Nevada Home Builders Association
Calli Wilsey, City of Reno
Joanna Jacob, Clark County
Shani Coleman, Director, Community and Economic Development, Clark County
Kelly Crompton, City of Las Vegas

CHAIR DONDERO LOOP:

We will open the hearing with the first bill on the work session, Assembly Bill (A.B.) 2.

ASSEMBLY BILL 2 (1st Reprint): Revises provisions relating to appointments to public bodies. (BDR 18-437)

ALYSA KELLER (Policy Analyst):

I will give a brief overview of A.B. 2 from the work session document (Exhibit B).

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 2.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. KELLER:

I will present A.B. 3 and its proposed conceptual amendment from the work session document (Exhibit C).

ASSEMBLY BILL 3 (1st Reprint): Revises provisions concerning the electronic transmission of certain maps and other documents relating to the approval of divisions of land. (BDR 22-406)

SENATOR OHRENSCHALL MOVED TO AMEND AND DO PASS AS AMENDED A.B. 3 WITH THE AMENDMENT IN THE WORK SESSION DOCUMENT.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. KELLER:

I will present A.B. 13 from the work session document ([Exhibit D](#)).

ASSEMBLY BILL 13: Revises requirements related to certain financial reporting by the State Controller. (BDR 18-353)

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 13.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. KELLER:

I will present A.B. 14 as contained in the work session document ([Exhibit E](#)).

ASSEMBLY BILL 14 (1st Reprint): Revises provisions relating to emergency management. (BDR 19-335)

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 14.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. KELLER:

I will summarize A.B. 21 from the work session document ([Exhibit F](#)).

ASSEMBLY BILL 21 (1st Reprint): Revises provisions governing the confidentiality of personal information of certain persons. (BDR 20-304)

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 21.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. KELLER:

I will summarize A.B. 22 from the work session document ([Exhibit G](#)).

ASSEMBLY BILL 22: Requires the establishment and maintenance of a transition assistance program for veterans and servicemen and servicewomen. (BDR 37-283)

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 22.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. Keller:

I will summarize A.B. 28 as contained in the work session document ([Exhibit H](#)).

ASSEMBLY BILL 28: Imposes an inverse preference on certain bidders for state purchasing contracts. (BDR 27-238)

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 28.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MS. KELLER:

I will give a brief overview of A.B. 48 from the work session document ([Exhibit I](#)).

ASSEMBLY BILL 48: Authorizes certain retired public officers and employees to reinstate insurance under the Public Employees' Benefits Program. (BDR 23-321)

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 48.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MS. KELLER:

I will summarize A.B. 55 from the work session document ([Exhibit J](#)). Subsequent to the posting of the work session document, a conceptual amendment ([Exhibit K](#)) was proposed by Jared Luke on behalf of the City of North Las Vegas. The amendment adds the language "be the custodian of" in section 10 for the Charter of the City of North Las Vegas, section 3.040, subsection 1, paragraph (b) to provide that the city clerk shall "keep the corporate seal and be the custodian of all official papers and records of the City"

ASSEMBLY BILL 55 (1st Reprint): Makes various changes to the Charter of the City of North Las Vegas. (BDR S-368)

SENATOR OHRENSCHALL MOVED TO AMEND AND DO PASS AS AMENDED A.B. 55 WITH THE AMENDMENT PROPOSED BY THE CITY OF NORTH LAS VEGAS.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MS. KELLER:

I will summarize A.B. 63 from the work session document ([Exhibit L](#)).

ASSEMBLY BILL 63 (1st Reprint): Makes various changes relating to the financial administration of local governments. (BDR 31-404)

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 63.

SENATOR GOICOECHEA SECONDED THE BILL.

THE MOTION CARRIED UNANIMOUSLY.

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MS. KELLER:

I will summarize A.B. 70 as contained in the work session document ([Exhibit M](#)).

ASSEMBLY BILL 70: Revises provisions governing the deposit of child support payments collected by the Division of Welfare and Supportive Services of the Department of Health and Human Services. (BDR 31-299)

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 70.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MS. KELLER:

I will give a brief overview of A.B. 71 from the work session document ([Exhibit N](#)).

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ASSEMBLY BILL 71 (1st Reprint): Revises provisions relating to certain information maintained by the Division of Natural Heritage of the State Department of Conservation and Natural Resources. (BDR 18-313)

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS AMENDED A.B. 71.

SENATOR OHRENSCHALL SECONDED THE MOTION.

SENATOR OHRENSCHALL:

I appreciate the Division of Natural Heritage working with Senator Goicoechea to address his concerns. I understand what the Division is trying to accomplish.

THE MOTION CARRIED UNANIMOUSLY.

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MS. KELLER:

I will briefly discuss A.B. 76 as contained in the work session document ([Exhibit O](#)).

ASSEMBLY BILL 76: Revises provisions relating to care for veterans. (BDR 37-284)

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 76.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MS. KELLER:

I will summarize A.B. 77 as contained in the work session document ([Exhibit P](#)).

ASSEMBLY BILL 77: Revises provisions concerning the Department of Veterans Services and certain advisory public bodies relating to veterans. (BDR 37-285)

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 77.

SENATOR GOICOECHEA SECONDED THE MOTION.

SENATOR OHRENSCHALL:

I was impressed by the testimony of Director Katherine Miller and what the Department of Veterans Services is doing to help homeless veterans. This bill will go further toward doing that. I am supporting the bill.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:

We will open the hearing on A.B. 186.

ASSEMBLY BILL 186 (1st Reprint): Establishes provisions relating to the issuance of citations and arrests by peace officers. (BDR 23-634)

ASSEMBLYWOMAN ROCHELLE NGUYEN (Assembly District No. 10):

Ticket and arrest quotas are a perverse policing activity that at times may be used to fund police departments and evaluate the effectiveness of peace officers. Quotas are predetermined numbers of transactions peace officers are required to issue in a given time frame.

Almost all law enforcement agencies in Nevada have policies in place in which quotas are not allowed and do not exist in their policy manuals and practices. This practice of having quotas has been criticized as a revenue-generating measure that encourages unjust policing and pressures officers to unfairly target individuals particularly near the end of a given quota period. I am sure everyone has had this experience when at the end of the month you see many people being pulled over for speeding. The first thing everyone says is it must be that time of the month. They must be trying to meet their quotas. That is what I am referring to; hopefully, this practice is not in place. Assembly Bill 186 would ensure it is not allowed to be a policy in any of our law enforcement agencies that deal with traffic safety.

I have submitted a conceptual amendment for A.B. 186 ([Exhibit Q](#)). Individuals in the Assembly wanted to be added to the bill as sponsors through an amendment. Unfortunately, it did not make it prior to the vote in the Assembly.

The sections originally proposed in A.B. 186 were section 1, subsection 1 and subsection 2. Language in the statute already exists, so the proposed amendment intends to delete subsection 2 of section 1. An amendment in the Assembly that changed some of the language in subsection 1 is already incorporated in the bill.

EDDIE ABLESER (Nevada Police Union):

The Nevada Police Union is the first Statewide category 1 peace officer union encompassing the brave men and women from State Parks, University Police, Game Wardens and the Department of Public Safety. I thank Assemblywoman Nguyen for her leadership and sponsorship of this important issue.

This past year has been a whirlwind for peace officers—from national attention to the many tragic deaths across the Country, to attempting to enforce Covid-19 policies and to the siege on the Nation's Capital. Brave women and men who wear the badge have been praised, demonized and then canonized all in a period of about ten months.

Our goal at the Nevada Police Union is to support reasonable and commonsense policies that drive directly at the primary goal of law enforcement—keep our communities safe.

It is with that intent that the Nevada Police Union has brought the problem of quotas in citations and arrests, commonly known as policing for profit. I want to be clear, the practice of demanding a specific quantity of citations and arrests does not adhere to the mission of keeping everyone in the community safe.

While evaluating officers based on the number of citations and arrests was a way of managing in the 1970s, this methodology's time has come and gone. This method hurts the most vulnerable and underprivileged citizens in the community. Moreover, underprivileged and communities of color are disproportionately affected by these practices. An example of this is how hard-working men and women from low-income communities often cannot

afford basic vehicle repairs such as a broken taillight or headlight, not to mention expired registration.

When there is a quota by police management, police officers will stop and ticket drivers for minor traffic violations or for exceeding the speed limit by only a few miles per hour. These are violations and speeds they normally would not be bothered with. Moreover, when officers are pressured to reach a certain target of custodial arrests, they often have to make the tough decision of either arresting someone and reach the quota management mandated, or issue simple citations for crimes such as misdemeanor traffic warrants, excessive speeding, reckless driving or panhandling which at most times is the appropriate course of action. By doing that, officers could face being placed on a 90-day performance review period for not reaching their quotas.

In some circumstances, officers are pushed to average 100 citations per month along with their other tasks. Management does not generally put quotas into writing, although verbally they will tell officers to push for higher numbers, often writing tickets near the end of the month they would not normally write.

I have heard many accounts of what this archaic method does to our officers. One trooper who led his shift in crash investigations, DUI arrests and calls for service was called into command. He assumed he would be praised for doing good work on the roads but instead was reprimanded by management for having the least amount of citations on the squad. That trooper left the disciplinary meeting and regretfully gave a citation to the first person he caught speeding. She happened to be a senior citizen who was on the way to the hospital for an emergency. The trooper was compelled to write the ticket because of the quotas in place.

The language of this bill is simple but effective. *Nevada Revised Statutes* (NRS) 289 will be amended to prohibit any law enforcement agency from ordering, mandating or requiring any peace officer to issue a certain number of citations or arrests. Furthermore, these agencies, without the amendment, would be prohibited from considering it in their performance reviews. That has been removed, and we are comfortable with that language.

Quotas might be good for manufacturing companies, but they have no place in modern day policing.

ASSEMBLYWOMAN NGUYEN:

The reason for the removal of subsection 2 of section 1 is because members of law enforcement were concerned they would not be able to look at the quantity of citations or arrests in officer performance evaluations. They review up to 100 different things when assessing an officer's performance. They did not want to be prohibited from looking at those officers deemed to be bad actors. For example, I heard about an individual who had been working for nine months and had not made a single arrest or written a citation during that time. They want to look at that number, compare it and look at other things as well.

I want to make sure we maintain a policy of prohibiting quotas and allow police management to look at those objectively in assessing performance.

CHAIR DONDERO LOOP:

To be clear, you are removing "A law enforcement agency shall not consider the number of citations"

ASSEMBLYWOMAN NGUYEN:

That is correct.

SENATOR NEAL:

Is all of subsection 2 of section 1 going to be deleted?

ASSEMBLYWOMAN NGUYEN:

That is correct.

SENATOR HANSEN:

Is this a common problem? There is no fiscal note on the bill. If law enforcement is using tickets to fund their agencies, is there a fiscal impact?

ASSEMBLYWOMAN NGUYEN:

Policing is not directly tied to funding of police departments through traffic tickets. A policy is in place to prevent that. However, having this in statute is important not only to prevent this going forward but also to encourage people to look at their departments where there is a situation like this or where someone had been praised for other aspects of the job as a law enforcement officer but was penalized because he or she was not writing enough tickets. That is my intent in A.B. 186.

SENATOR HANSEN:

I understand. I want to make sure that if it is a consistent thing they are using to actually help fund their agency, we would need a fiscal note. I do not want us to go after the cops because they are there to help keep everyone safe. The real check is insurance.

TROYCE KRUMME (Las Vegas Police Managers and Supervisors Association):
The Las Vegas Police Managers and Supervisors Association supported A.B. 186 in the Assembly. I am here today in continued support with the amended language. This is a good step in the direction of decreasing the overreliance on statistics by police organizations to determine productivity.

It will allow police supervisors to hold officers accountable for their policing responsibilities without the pressure of making stops for the sake of making stops. The effect and the goal of this should be to increase public trust in police professionals in Nevada. We encourage the Committee's support of A.B. 186.

JIM HOFFMAN (Nevada Attorney for Criminal Justice):
Nevada Attorney for Criminal Justice supports A.B. 186. Much of the time, the defense bar and police unions have diametrically opposed views about how the criminal justice system should work.

This is a good piece of criminal justice reform. If we can come together to agree on this policy, that is a strong argument in favor of it. We support this bill, and we urge the Committee to do so.

CHRISTINE SAUNDERS (Progressive Leadership Alliance of Nevada):
The Progressive Leadership Alliance of Nevada (PLAN) supports A.B. 186. The PLAN thanks Assemblywoman Nguyen for bringing forward this piece of legislation. Assembly Bill 186 is a commonsense policy and will help reduce police profiling. We urge your support.

CYRUS HOJJATY:

I thank Assemblywoman Nguyen for bringing this issue. When I moved to Las Vegas several years ago, I noticed I was being pulled over more often. It is absolutely insane. In some cases, I was pulled over twice a month. This is because there are many speed traps in the Las Vegas area, particularly when you head northward on Paradise Road away from the airport where the speed

limit is 35 miles per hour. It was hard to even see the sign because there was no light. They hide and they give you tickets.

Many of my relatives, one of them whose name is Mohammad, thinks he is being pulled over because of that name. They can scan the license plate and get the name and information. It is important to reduce the chance of quotas and pull overs.

The other major problem is the Las Vegas urban planning system. As you know, it is a car-dependent system where land uses are heavily separated. Street layouts are not interconnected but designed to encourage car usage—while insurance costs remain among the highest levels in the entire Country. All these large collector roads like Rainbow Boulevard and Sahara Avenue encourage speeding because there are few traffic-calming measures.

There are also issues with stop signs, and stop lights not managing traffic well. Other means can affect traffic more efficiently such as raised crosswalks or turbo roundabouts which they have in Europe. I suggest we update our traffic systems to make sure that cop pull overs and accidents and all other issues are reduced dramatically.

This bill is certainly a step forward, but it will not effectively solve the entire problem of traffic and tickets.

MICHAEL WILLOUGHBY (Battle Born Progress):

Battle Born Progress supports A.B. 186. We thank Assemblywoman Nguyen for her work on this bill to make Nevada a more just and equitable place to live.

Quota-based policing is terrible, ineffective policy. It encourages officers to proactively look for minor violations and give tickets instead of warnings. This creates resentment in the community and increases incidences of police contact with the public which could put vulnerable communities at risk by pulling them into the criminal justice system. This bill is a step toward fixing that. Please support A.B. 186.

CHUCK CALLAWAY (Las Vegas Metropolitan Police Department):

I appreciate our communication with Assemblywoman Nguyen on this bill. The Las Vegas Metropolitan Police Department (LVMPD) supports the intent of the bill. The LVMPD does not have quotas. It does not receive direct revenue from

citations, and policing for profit does not occur in this agency. The LVMPD has performance measures. Officers engage in a number of activities on a daily basis, and part of those activities include enforcing the law.

As of this morning, 45 fatalities have occurred on our roadways. When you see officers pulling people over on the roadways during the Joining Forces campaign, it is not to meet a quota, it is to reduce fatalities. Those stops take place in areas with high incidences of traffic accidents.

Supervisors must hold employees accountable for their work performance. The amendment proposed by Assemblywoman Nguyen alleviates many of my concerns regarding the bill. However, I still have a concern in section 2 of the bill.

In almost every hearing this Session, we have heard about bad-apple officers. The issue in section 2 is the same issue raised in S.B. No. 2 of the 32nd Special Session. If an officer is under an internal investigation for use of force resulting from a traffic stop and that officer claimed he or she stopped the car because the officer's supervisor said to meet a quota or make traffic stops, an arbitrator would not have any admissible evidence in that case. It would limit our ability to hold people accountable for their actions. The LVMPD supports the intent of the bill and looks forward to the coming amendment we hope will get us in support of the bill.

ERIC SPRATLEY (Executive Director, Nevada Sheriffs' and Chiefs' Association):
None of the Nevada Sheriffs' and Chiefs' Association members support having quotas. We oppose A.B. 186 even with the proposed conceptual amendment. We support the intent of section 1 of the bill. We have worked with and thank Assemblywoman Nguyen for working toward language which ratchets down improper supervisory and officer behaviors yet gives law enforcement agency leadership the ability to properly manage these supervisors and officers. We have not yet arrived at that language.

We oppose section 2 of this bill because that small language change in NRS 289 further erodes management's ability to hold bad cops accountable. Similar to S.B. No. 242 of the 80th Session, which I vehemently warned you about, this bill is another chip at the foundation of elected and appointed law enforcement agency leaders' ability to successfully discipline or remove officers who behave poorly. In the Special Session last year, citizens of color were

nearly demanding the provisions of S.B. No. 242 of the 80th Session be overturned. While some changes were made, it was not overturned. This is another piece of legislation that again provides a benefit to an officer facing discipline. A sinkhole that swallows a car in the middle of the road does not happen all at once. It happens with small and continuous erosion over time. Section 2 of this bill is that erosion. You will continue to wonder why certain crappy cops remain employed and take advantage of underserved people.

Please give our law enforcement agency leaders the ability to manage poor officer behavior. For that reason we oppose A.B. 186.

ASSEMBLYWOMAN NGUYEN:

I want to address some of the comments. My intent is to make sure in statute and in policy that it is a priority of this Legislative Body to make sure people are not required or forced to issue quotas. Some callers were complaining about speed traps which do not come under this bill. I have no problem with speed traps. They are set up for traffic safety purposes.

Removing subsection 2 of section 1 alleviates the concerns regarding officer performance evaluations.

I understand the objections to NRS 289. Unfortunately, this bill only addresses the issue of police quotas and making sure they are not part of law enforcement policy in this State.

I urge you to support A.B. 186. I will continue to work with the opposition and supporters to make sure the language of this bill is right.

CHAIR DONDERO LOOP:

I will close the hearing on A.B. 186 and open the hearing on A.B. 333.

ASSEMBLY BILL 333 (1st Reprint): Makes changes to provisions relating to land use planning. (BDR 22-357)

ASSEMBLYWOMAN LISA KRASNER (Assembly District No. 26):

Assembly Bill 333 pertains primarily to stormwater management and judicial review of land use decisions. Northern Nevada experienced historic storms in 2017 that stressed and overwhelmed its stormwater mitigation facilities. As the

Reno-Sparks area continues to grow rapidly, local government has required new developments to plan for similar historic stormwater events.

These requirements are reasonable and appropriate. However, as developers are required to hold back more and more stormwater, a legal question is raised of whether a water appropriation is required. That is not the intent of mitigation requirements. This bill clarifies that no such appropriation is needed when a local government requires stormwater retention or detention.

Aside from water, this bill also sets forth a briefing schedule for judicial review of land use decisions by a local government. The schedule is consistent with the same briefing schedule in Nevada law for judicial review of Executive Branch agency decisions. This will help ensure that judicial review of land use decisions proceeds efficiently and expeditiously.

MICHAEL PAGNI: (Heinz Ranch Land Company):

This bill contains two different components. The first one addresses the procedures for seeking judicial review of land use decisions. An aggrieved person can seek judicial review of a decision of a local government by filing a petition within 25 days. The petition is in the nature of an appeal.

Cases are decided by submission of briefs. Nothing in law sets forth when those briefs must be filed which has led to considerable delays in ensuring important constitutional property rights at issue are submitted to courts in a timely fashion. It is not uncommon for some decisions to take years before a court decides them. That leaves the development's status in limbo and creates opportunities for abuse by opponents who are seeking to delay projects.

Section 1 of the bill adds timeframes when those briefs must be filed consistent with the Nevada Administrative Procedure Act—40 days for opening briefs, 30 days for answering briefs, and 30 days for reply briefs. The form of the brief must comply with the Nevada Rules of Appellate Procedure. Within seven days of completing the briefing, either party may request a hearing.

A few items to note on the schedule—it is consistent with the schedule in the Nevada Administrative Procedure Act. This schedule has been in place for over 30 years. It works well in practice and avoids the delays and abuses we have seen in the local government review process. Like the Administrative Procedure Act, section 1 of this bill grants courts the ability to extend those times if good

cause is shown. This avoids any concerns of potentially interfering with the exercise of judicial discretion.

We have all heard the phrase, "Justice delayed is justice denied." Section 1 seeks to address that concern by eliminating the opportunity for the abuse of the judicial system through delayed procedures.

The second component of the bill is set forth in section 2.5. The intent of this section is to codify the historic practice of the State Engineer, Division of Water Resources, State Department of Conservation and Natural Resources; and to recognize when local governments require management of stormwater runoff created from new development. Stormwater management does not require a water rights permit.

Under law, cities and counties are authorized to regulate the development of land which often includes imposing requirements to retain—hold back—or detain—slowdown—nuisance stormwater flows. For example, when a parking lot is dirt, some rain will soak into the ground, some will puddle on the site and some will flow off to neighboring properties. As soon as that land is developed and paved, that rainwater sheet flows off the site. This increase in stormwater flow is caused by the development. Those hard surfaces—pavement and roof tops—are addressed in this bill.

In northern Nevada, managing stormwater flows has become an important issue. Local governments have imposed requirements on new developments to either create retention ponds to hold water on site so it can soak into the ground or evaporate off, or detention structures to slow it down so when it does leave the land, it leaves the land at the same flow it did before the development occurred.

The State Engineer does not require water rights permits for these practices. However, with the exception of certain projects in Clark County, the exemption is not explicitly set forth in statute. The intent of this bill is to codify this historic practice to allow local governments to manage stormwater flows in an appropriate manner without imposing administrative burdens on the State.

While we agree with and support the State Engineer's historic approach, there is concern that someone may construe NRS 533 as requiring water rights. It is important to clarify and codify this current practice into law. You can imagine

the unintended consequences of that type of interpretation in enormous financial burdens on State and local governments if they are required to appropriate water rights to put in a road, or how a development could grind to a halt in an over appropriated basin where there simply are no water rights available for appropriation. The effect of this bill is to avoid those unintended consequences while allowing local governments to manage stormwater flows in a responsible manner.

Nothing in this bill modifies or affects other permitting requirements for stormwater management such as the Division of Environmental Protection construction stormwater permits, stormwater pollution prevention plans or similar permits regarding water quality. None of those are affected by this bill. This simply addresses the question of whether there is a need to appropriate a water right to temporarily retain nuisance stormwater flows.

Following the Assembly hearing, we worked closely with the Division of Water Resources and other stakeholders, including the City of Reno and Eureka County, to clarify the bill to address concerns they had about unintentionally encompassing other types of waters regulated by the State Engineer. A consensus amendment was agreed to. Unfortunately, the first reprint of the bill does not fully reflect the parties intended revisions, so we have provided a technical consensus amendment to section 2.5 ([Exhibit R](#)) which contains language approved by all stakeholders including the Division of Water Resources. We apologize for the late submittal of the consensus amendment. It includes important clarifications to reflect the parties intended desire to preserve the State Engineer's ability to regulate other types of waters.

The amendment clarifies that the bill will apply to all counties with populations less than 700,000. Eureka County had initially requested a carve out for smaller counties, but upon reflection, it wanted to be included as part of the bill. That clarification was made so it applies to the smaller counties.

The remaining clarification in subsection 2 addresses the limitations on the types of waters subject to the nuisance stormwater flows or developed stormwater flows. It will not impede the State Engineer's ability to regulate other types of water rights. Both of these changes have been agreed to by all stakeholders including the State Engineer.

With the proposed consensus amendment, we support the bill.

DONALD PATTALOCK (General Manager, Heinz Ranch Land Company):
Heinz Ranch Land Company is the developer of a large master-planned community located in the north valleys of Washoe County.

The winters of 2016 and 2017 caused historic rainfall throughout the region and put a magnifying glass on how jurisdictions manage stormwater and how we, as a development community, manage stormwater and the developed water flows.

As we were reviewing the management and development of communities and our response to flooding and how it is managed, we looked at NRS 533.030 which exempts water rights for stormwater management facilities in Clark County. The converse of that is the other 16 counties are not exempt from requiring a water right for stormwater management facilities.

The historical practice of the State Engineer does not require water rights for the nonbeneficial use or management of stormwater. Our obligation through city code and ordinance is not to increase the runoff from our property to neighboring properties as we develop and create the impervious surfaces.

We are trying to close a loophole created in NRS 533.030 that could be read as requiring a water right for stormwater management in the remaining 16 counties since Clark County is exempt.

SENATOR NEAL:

Developers have control over stormwater now. What was the need for the insertion of section 2.5 in beneficial use? Beneficial use is in statute and NRS 533.0241 covers groundwater. Section 2.5 of the bill says the provisions in NRS 533 do not apply to any counties with populations less than 700,000. What is happening with stormwater now with the developers? If the water goes into the groundwater, what are we talking about here?

MR. PAGNI:

The provisions you are looking at in NRS 533.030 talk about the obligation to appropriate a water right when water is put to beneficial use. One of the things to remember about nuisance stormwater flows is they are not put to beneficial use. These are nuisance flow waters. They cannot be captured and used for municipal purposes. We are talking about nuisance flows and how to regulate them to prevent flooding.

Normally, if you are temporarily capturing water for a beneficial purpose, irrigation or municipal use, you must have water rights. This bill recognizes that given the nature of these waters, you can temporarily capture them because you are capturing a nuisance flow and preventing a stormwater flooding issue. That was the importance of the State Engineer's clarifications. Nuisance flows are defined as water not relevant to recharging groundwater resources or not part of surface water flows that can be captured and used for beneficial purposes. It is a different type of water. That is why it is exempt in the State Engineer's practices. We defined it in the bill using the State Engineer's recommended language.

SENATOR NEAL:

What are the local governments doing about nuisance flows now?

MR. PAGNI:

They were doing the same thing. They were requiring projects to capture these waters or slow them down so they do not flood neighboring properties. After the 2016-2017 large precipitation events, local governments have increased the requirements. They are requiring a higher ratio of capture than previously. This issue is being brought to the forefront by those higher requirements. It raised the question does the capturing of a higher volume trigger something. The need for the clarification is that appropriate, responsible stormwater management should not trigger these requirements. It does not in Clark County. That should be available to the other counties.

SENATOR NEAL:

That is what I was trying to figure out when people assert they had beneficial use for stormwater.

I remember a bill from two sessions ago where people capture rainwater and then reuse it. Is there any correlation between that issue and this issue?

MR. PAGNI:

No, those are different types of issues. I can understand why those rain barrel captures would trigger the same thing in your mind. They are capturing water to put it to a recognized beneficial use.

This bill addresses the temporary slowing down of water. The water is either going right back into the ground to recharge the groundwater source as it

normally would, or it is just slowing down. It is the same amount of water going off; it is just going to come off slower so it does not inundate the property next door. That was the importance of the State Engineer's clarifying language to make sure we are not impeding those predevelopment flows that are necessary for capture for beneficial use.

SENATOR NEAL:

This is seasonal. If there was four inches of water runoff last year and a certain amount of runoff is expected in the following year, how does this affect that? Does it implicate section 1 if the expected amount of runoff did not occur or it was somehow impeded because developers have more control in deciding what they are responsible for?

MR. PAGNI:

This bill does not affect that. The reason is because we are talking about an incremental increase above the expectation someone might have about runoff coming off native soil. Local governments look to do no harm. The amount of water running off cannot be increased because of a development. The predevelopment flows must be maintained. If a developer has a permit where it has appropriated that predevelopment flow, this bill does not allow us to impede it. That is the importance of the State Engineer's clarifying language.

STEVE WALKER (Storey County; Lyon County):

Storey County and Lyon County support A.B. 333 as amended.

I thank the bill's primary sponsor for ensuring all entities would be treated equally and for accepting our late amendment.

DAN MORGAN (Builders Association of Northern Nevada; Nevada Home Builders Association):

The Builders Association of Northern Nevada (BANN) represents more than 600 members associated with development and home construction in northern Nevada.

The Nevada Home Builders Association (NHBA) is a statewide advocacy organization that represents and is governed by BANN and the Southern Nevada Home Builders Association.

The BANN and the NHBA support A.B. 333. This legislation codifies and clarifies a long-standing unwritten rule that water rights appropriation is not necessary for surface stormwater retention and detention as part of a local government's flood control policy.

This type of retention and detention has no real impact on downstream users but is important to protect the community from significant stormwater events as occurred in Nevada in 2017. The bill also removes any uncertainty over surface water rights and the surrounding issues and creates a more efficient land use appeal process.

Assembly Bill 333 also provides an established briefing schedule for land use appeals, ensuring builders and local governments can obtain prompt judicial review and that much-needed and appropriate building projects and developments are not unnecessarily delayed in court.

In whole, A.B. 333 aligns with the goals of BANN and NHBA to promote policies that reduce regulatory constraints and controls the cost of developments and home construction thus helping builders and developers bring more affordable homes to the market.

The BANN and NHBA thank Assemblywoman Krasner for bringing this bill forward and are proud to support A.B. 333.

MR. HOJJATY:

I echo the comments of the previous person, and I support this bill. Thank you for bringing it forward.

CALLI WILSEY (City of Reno):

The City of Reno is neutral on A.B. 333 and appreciates the bill's sponsor reaching out in advance with the goals and intent of the bill. The City's zoning code, which was updated in January 2021 after a multiyear public engagement process, includes development requirements for areas subject to flooding. The purpose of these requirements is to safeguard public health, safety and welfare of our neighborhoods.

In the City's closed basin, development plans must include adequately sized onsite retention basins to mitigate the increase of stormwater runoff as a result of the development to a minimum mitigation ratio of 1 to 1.3. These mitigation

measures are directly focused on ensuring the City is able to protect the health and safety of its residents as the community grows and evolves. As additional information is needed, the City is happy to follow up with the Committee. The City looks forward to continuing to work with the bill's sponsors if needed and appreciates them reaching out to it.

CHAIR DONDERO LOOP:

Why not develop some type of water runoff area? For example, my district has a soccer park, when it rains, it floods to a certain extent. The park is then closed and it becomes a capture area for that floodwater. Why is that idea not being used?

MR. PAGNI:

Those types of mitigation measures could be used. The bill seeks to protect the local government's ability to choose those types of mitigation measures if it wished. We are trying to avoid the obligation of the local government to have to appropriate a water right to use that type of stormwater management technique. Those techniques are one of the many tools it can use to manage the stormwater flows.

MR. PATTALOCK:

I want to assure everyone that the ordinances and the practices that govern stormwater management remain the same. Everything you are referring to remains the same in this bill.

Two sessions ago, NRS 533.030 was put into statute. It exempted a water right for the exact description of a detention basin you are describing in Clark County. A water right is not required for that type of facility. The State Engineer historically has not required water rights. We are basically closing that loophole. The way the developers manage those flows in response to local ordinances and the State Engineer's current and historical practices remain the same.

The questions you are raising are good. It is that nuance and unintended consequences of NRS 533.030 that could subject the other 16 counties to have to issue water rights for the facilities used every day in their jurisdictions.

Senator Neal, to your point on downstream water right users. As developers, we are not allowed to either increase or decrease the flows off our property. We

must maintain the natural balance of that system through our development. We end up creating additional water from the impervious surfaces we are required to hold back on our sites. We do not impact any of the downstream water users by capturing their water. This is new water created from the impervious surfaces. We are not allowing stormwater to increase flows that could flood down basin owners.

I hope this answers your questions. The system of management should remain the same with this bill.

CHAIR DONDERO LOOP:

Is the proposed amendment, [Exhibit R](#), a friendly amendment? Has it been accepted?

ASSEMBLYWOMAN KRASNER:

Yes, that is correct. All parties have agreed to that amendment.

CHAIR DONDERO LOOP:

I will close the hearing on [A.B. 333](#) and open the hearing on [A.B. 335](#).

[ASSEMBLY BILL 335 \(1st Reprint\)](#): Revises provisions governing the redevelopment of communities. (BDR 22-852)

ASSEMBLYWOMAN SHONDRA SUMMERS-ARMSTRONG (Assembly District No. 6):

[Assembly Bill 335](#) makes minor, necessary changes to law. The purpose is to increase clarity and transparency by asking the City of Las Vegas Redevelopment Agency to report certain information and to allow that information to be discussed with Southern Nevada Enterprise Community (SNEC) Board. I sat on that Board for a couple of years. It has stayed in existence over that time. This will allow the Board to have some active participation in what happens in a redevelopment zone.

When I proposed this legislation early in this Session, I had the opportunity to talk with Bill Arent, Deputy Director, City of Las Vegas Economic and Urban Development and his staff about the intent of the bill and to make sure it is clear what information we want to gather. The bill also involves the Nevada Commission on Minority Affairs. (NCMA).

One of the things I have heard many times in the community is they do not know what is going on, how the employment plans are working and if small local businesses are getting contracts. This bill gives some stops. A plan to report at the beginning of a project that already exists. This bill adds a follow-up report in the middle of a project. If we know a construction project is going to take two or three years, the developer would come back to the Board in the middle of the project to report on its goals, hiring and training plans. The Board will hear that information, comment and offer help if need be. It will be the same with the NCMA.

A report is already done at the end of a project. We will have something in the middle to be a buffer and let things develop as they do, tune things up if needed, and the community will have involvement and clarity.

I was contacted recently by Joanna Jacob. Clark County would like to add an amendment ([Exhibit S](#)).

JOANNA JACOB (Clark County):

We approached Assemblywoman Summers-Armstrong two days ago. We started a conversation in Clark County before Covid-19 in 2019 about economic development in the County and its goals.

At that time, the Clark County Board of Commissioners was looking for ways to invest in the community and in economic development. They commissioned a request for proposal to do a study on the feasibility of the redevelopment agency. The County had a redevelopment agency in the past that started in 2003 and was shuttered in 2009 at the time of the Great Recession just prior to the 2009 Legislative Session. It has been shuttered since that time.

Clark County commissioned the study. During the course of the study, we had the privilege of bringing on Director Shani Coleman who is leading the County's new Department of Community and Economic Development. Ms. Coleman has over ten years of experience, having joined the County from the City of Las Vegas.

The purpose of the amendment, [Exhibit S](#), came up at the County Commission meeting on May 4 during a discussion about redevelopment goals at the Board level. The Commission said it would like to have staff, meaning Director Coleman and everyone who works at Clark County, bring back a

resolution about whether it could possibly reauthorize the redevelopment agency. We have been looking at Nevada's redevelopment law developed during the time the redevelopment agency has been defunct. We looked at some sections that would be helpful as we go on this journey.

The Commissioners have not yet voted. This is not something the County is doing quickly. It is assessing the feasibility of doing this in the community. Some of the sections in the amendment are designed to give the County some flexibility and time to do a thoughtful and careful approach.

SHANI COLEMAN (Director, Community and Economic Development, Clark County):

I was hired by Clark County in November 2019 after the redevelopment study was commissioned. In looking at the study and listening to the Commissioners regarding economic development goals, we realized that NRS 279 provides communities like Clark County and others an opportunity to use organizational and financial models specifically to address redevelopment concepts.

On May 4, the Clark County Commissioners directed me to bring forward a resolution allowing them to reauthorize Clark County's Redevelopment Agency. However, in the time that Clark County's Redevelopment Agency has not been operating, a number of changes have been made to the redevelopment law. Those changes are specific to cities. The language applies to cities with populations over 500,000 or to cities with populations under 300,000. Because language was specific to cities, Clark County wanted to clarify that it would have access to the same language and the same facilities of redevelopment that other jurisdictions in southern Nevada have.

All jurisdictions in southern Nevada have redevelopment agencies. Because they are cities, they are provided certain provisions in NRS 279. The purpose of this amendment is to clarify that Clark County also has the ability to use those same statutory provisions.

The amendment, [Exhibit S](#), adds language from NRS 279.439. This is the ability for a redevelopment agency to extend its life. We added language a "county whose population is 700,000 or more" so Clark County would also have the same ability as its counterparts in southern Nevada to do those things.

That language is seen throughout the amendment. The County is trying to create parity with other jurisdictions in southern Nevada so its redevelopment agency is not operating at a competitive disadvantage.

MS. JACOB:

The sections being amended are exactly as Director Coleman stated. A section in NRS allows the redevelopment agency to do a one-time reassessment of property tax values if we hit another recession and property tax values decline by 10 percent. This is existing policy of the State. It is something the cities are allowed to do. It allows the County to rebase property tax values in a redevelopment agency. These types of things could be helpful going forward.

A section in the middle of page 1 of the amendment, [Exhibit S](#), uses a different term, "community." It says "A community may enact its own procedural ordinance and exercise the powers granted by this chapter." The chapter says "city." Community is defined in NRS 279 to include a city and a county, thus that distinction.

SENATOR NEAL:

What are the boundaries of this redevelopment area? The redevelopment agency has not been in play. It was dissolved in 2009 after being active only for six years.

MS. COLEMAN:

Under NRS 279. 436, a redevelopment agency cannot be dissolved. It provides an opportunity for the redevelopment agency to be suspended and inactive. Then based on a resolution by the legislative body—in this case, the Clark County Board of Commissioners—it can reauthorize or reactivate the redevelopment agency.

When the redevelopment agency was established in 2002 and the redevelopment plan in 2003, three areas were already in existence. With a reauthorization of the existing redevelopment area, those three areas would be the extent of what would be considered the redevelopment area.

The first is an area bounded by Sahara Avenue on the north, Maryland Parkway to the east, Karen Avenue to the west, and then at Paradise Road it jogs out and heads south on Paradise Road, wraps around Elvis Presley Court which is

the south side of The Drew, crosses over Las Vegas Boulevard, cuts through the MGM fairgrounds and then comes back to Sahara Avenue.

The second one is a small area on Maryland Parkway, bounded by Desert Inn Road and goes to Twain Avenue. It covers the commercial frontage between Desert Inn Road and Twain Avenue on Maryland Parkway.

The third area is at Sahara Avenue and Boulder Highway. It is a small parcel of Boulder Highway and Sahara Avenue that backs up to an old Zody's. It does not even have a street. It is just a small area.

If the Clark County Board of Commissioners chooses to reactivate the redevelopment agency, those areas would be included. Maybe your question is what happens after that.

A study was done by Applied Analysis that identified what an evaluation area is in redevelopment law. Six evaluation areas have been identified. Applied Analysis did that by looking at and comparing taxable values, crime and vacancy rates for those areas against other parts of the Las Vegas Valley. The six areas identified in unincorporated Clark County could potentially be redevelopment areas. That just means they have been identified. According to NRS, the County would have to go through a full blight study as prescribed in NRS 279 before it could add them.

To follow up on that, in discussions with the County Commissioners, not every Commissioner wants a redevelopment area in their district. Looking at the six areas on the map, two districts do not include any evaluation areas. Those districts are represented by Commissioner Michael Naft and Commissioner Ross Miller. Some commissioners expressed they want redevelopment, but they do not necessarily want to establish formalized redevelopment areas in their districts.

If the Board of Commissioners decides to reauthorize the redevelopment agency, the Office of Community and Economic Development will be evaluating and having conversations about what is appropriate for Clark County and working with the Commissioners on what is appropriate for their districts.

SENATOR NEAL:

The areas you described encompass the original redevelopment areas. I pulled the tax rolls for the Clark County redevelopment areas: Sunrise Manor, Winchester, Paradise and others. Some of those cross over to the Strip.

You know how redevelopment works. Can you explain how those tax dollars that go into that area are siphoned off? If a redevelopment area is created, money is taken away from schools. How will you deal with that?

Ms. COLEMAN:

You are correct; the defined three areas are the original areas because we are reactivating or reauthorizing the original redevelopment agency. We are not starting a new one. Because of the way NRS 279.436 is written, with the reactivation, everything established in 2002 and 2003 remains as is.

In relation to schools, when you establish a redevelopment agency, there is a hold-harmless clause. *Nevada Revised Statutes* 279.676 provides that any taxing district that becomes a part of a redevelopment area continues receiving the dollars it did before the redevelopment agency was established. For example, if Clark County School District was getting \$100,000 before Clark County established its redevelopment agency, the District would continue to receive that \$100,000 after the redevelopment agency is established. Based on NRS 279.676, all taxing districts are held harmless. They do not lose any money. They continue to get what they were getting prior to the establishment of the agency.

SENATOR NEAL:

Thank you for that, Ms. Coleman. Will this become effective on July 1? When will the hold-harmless period begin? Are they being held harmless in a cycle in which revenues were not where they should have been?

Ms. COLEMAN:

As provided in NRS 279.676, the redevelopment agency goes back to the last equalization period prior to the ordinance approving the redevelopment plan. In this case, the redevelopment plan was approved in December 2003. The last equalization period would have been at the end of fiscal year 2001-2002. The school district or other taxing district would continue to get anything it was entitled to in fiscal year 2002-2003. The law does not allow us to go back.

Ms. Jacob mentioned a provision in NRS 279.685 that allows for a one-time reset. However, as the law is written, only cities are allowed to use that reset. Based on NRS 279.676, the County would have to use the equalization standard table set at the end of June 2002. If the County met the qualification of a 10 percent decrease, it could reset the base for everybody. Clark County does not have the authority to do the reset because the law is specific to cities.

SENATOR NEAL:

That is what is confusing. The County is being inserted into city provisions in the amendment. I am going to get off of the reset because I have an issue about the taxing and the revenue the County would be able to cycle for its development plan. There is an amendment, but there are no numbers. I have concerns with the insertion of the County into NRS 279.6855 which allows it to increase, improve and preserve public education facilities. That was a hard-pressed issue for me when the City of Las Vegas asked for it. However, the City had done pilot schools under Dr. Lisa Morris Hibbler before it asked for it. Even when the City asked for it, I still had concerns. Having the County triggering that provision is a problem for me. It is not the County's role. The County has its own capital improvement money. It has bonding and other things it is responsible for. *Nevada Revised Statutes* 279.6855 is not the proper place.

The door seems to have been opened with that half-cent sales tax in A.B. No. 309 of the 80th Session. That half-cent sales tax was a hard-pressed vote for me. I am not willing to open the door for a county to have that level of control over buildings or public education facilities in which the Clark County School District has that role. Can you speak to that? If the County starts engaging in the practice of creating schools or improving facilities, I have an objection to that.

MS. COLEMAN:

Yes, the County inserted itself into that to create parity. The County did not want to have an unfair advantage in its redevelopment agency as the cities do. The 18 percent set-aside was established by the Legislature. To my knowledge, it was not requested. Right now, Clark County would not have to set aside any money to do any of those community benefits. It is not fair that cities have to set aside 18 percent of the redevelopment revenue and Clark County did not have to do the same thing. That is why Clark County is written into the bill.

The redevelopment law in NRS 279.685 is specific to the City of Las Vegas. Its 18 percent set-aside is split 9 percent to affordable housing and 9 percent to education. It is required to do that until 2030 or 2031. All of the other redevelopment agencies of a size in southern Nevada are required to do the 18 percent set-aside which all goes to education.

Under NRS 279, Clark County is not required to do the full 18 percent set-aside for education. If you have a concern about requiring parity, we can have that conversation. We were trying to be fair for the other jurisdictions and not create a competitive advantage in which they are required to put this 18 percent aside but Clark County is not.

SENATOR NEAL:

I do not see it as a parity issue. The 18 percent was requested because the County no longer does affordable housing. Since it has this leeway, it would like to use that money to perform those activities within the educational space. You have submitted this amendment, and I understand what Clark County wants to do. It wants to engage in the practice of redevelopment, but this needs more time. The County needs its own bill to come back and have a full discussion about all of the implications—putting the envisioned boundaries and the affected revenues in the record, and talking about the implications of reauthorizing the redevelopment area.

When looking at 2009, the money being taken does not just affect schools. There was a whole conversation about public safety and health care. I want to understand and have more data associated with this amendment and this proposal. I understand the door was open, but I am not so sure about this.

SENATOR HANSEN:

The bill states that a developer will look for contractors and subcontractors within 100 miles of the redevelopment project. I understand the goal is to try to get as many people as possible employed from the redevelopment area.

The bill also states that "The developer will, in hiring for construction jobs for the project, use its best efforts to hire veterans and other persons of both sexes and diverse ethnicities living within the redevelopment area" The problem from a contractor's perspective is these will be prevailing wage projects. A certain number of workers have to be journeyman grade craftspeople. A certain

number have to be in union-sponsored apprenticeship programs, and they have to have OSHA 10 and OSHA 30 cards. That is just to start.

Then it will require developers to include an agreement to offer training. I can see if a project may drag on for 20 years; theoretically, a program could be set up to train local people, give them apprenticeship opportunities, Occupational Safety and Health Administration training and all the things it takes to become a construction worker.

I have been watching redevelopment projects my whole adult life. In 1977, Sparks started one to save the Nugget in downtown Sparks. It ended up going on for 30 years. It never worked, and it cost millions of dollars. More importantly, it siphoned money away from other necessary, legitimate government services.

I support the concept of helping local people in a downtrodden area. Has anyone thought about the logistics of the costs and the need to meet all the other State laws required for prevailing wage projects?

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

I have not dug that far into the weeds. But I would like to share a little bit with you. I have lived in west Las Vegas for 22 years. This is one of the communities hardest hit financially in southern Nevada. I have seen a \$50 million tax credit go to the building of an event center and into the World Market Center which was partly funded by redevelopment dollars and adjacent to the Chelsea Outlet that was also sponsored by redevelopment dollars. Then there is the Main Street Station which used millions of dollars of redevelopment funds. I could probably ascertain that the Circa that just went up got some benefit from the redevelopment department as well as the Mob Museum and The Smith Center. All of these are in a redevelopment area I can bike to from my home in an area that has seen blight exacerbated in the last 20 years because of disinvestment. People move out, houses are derelict, and lots are empty. Whether it can pencil out all the way or we can put a spreadsheet together and make it all make sense, at some point we need to start some place.

We are giving money away for the purpose of helping people come into our communities to build. The people who live there should have a reasonable expectation that when this money is used for that purpose, somebody will go to an organization like the Department of Employment, Training and Rehabilitation

or Nevada Partners, to say we are here to do a project, we need to hire people, and can you help us—make some arrangements and some relationships to get people employed?

The whole purpose of a redevelopment agency is to rebuild devastated communities. You cannot do that if people are not working. Ward 5 in Las Vegas encompasses an area that has had a 15 percent unemployment rate for 20 years. All of this redevelopment money goes into that very community where all these edifices are being built, and we still have 15 percent unemployment. We have to figure out something—not just say no, it seems difficult, and there cannot be a solution. We have to say yes. It is difficult, but we are going to work with the redevelopment agency, the State-funded agencies that do this type of work for job training. We have to figure out how we can work with the unions and others to get people trained and employed so they are not using government funds from another department to survive. They could have been learning a skill to help them move out of poverty.

SENATOR HANSEN:

I understand, and I respect your efforts. When you get into the weeds, it gets more complicated. I know Senator Neal has been watching these kinds of things as did her father before her. People have thought this through. It is not quite as simple as just putting it in an area and making sure everyone in that area gets employed. The type of people in that neighborhood may not have the skills to do the required work.

I do not want to belabor the point. I wish you the best. I am out of my league because I live in Sparks.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

It might change a little if you come to visit. Come down and bring your expertise.

CHAIR DONDERO LOOP:

You talked about the example of \$100,000 the school will get to keep with the hold harmless. Where does the funding come from if the school district keeps that \$100,000? Where does the excess money come from that the builder will get? Am I understanding that right?

Ms. JACOB:

Are you referring to the funding generated in the district?

Ms. COLEMAN:

When a community establishes a redevelopment agency, a base is set. That is the hold-harmless piece. For example, if Clark County School District was to get \$100,000, that is its base. That remains the same. The purpose of redevelopment is to increase values in those areas. All of the taxing agencies that contribute to a redevelopment agency are held harmless which means that the base is set. Everybody gets the base. The work the redevelopment agency does to improve the neighborhood and improve value is called the tax increment. The tax increment goes into the redevelopment fund. That money continues to be recycled through the redevelopment agency. That is how the agency gets money.

For example, a redevelopment agency is established, and the base is set at \$500. Through the work the agency does, the property value is no longer \$500, it is now \$2,000. The increment, the \$1,500 difference, goes back into the agency and continues to be recycled through the agency to support redevelopment throughout the redevelopment area.

The school district continues to get its base. All of the agencies continue to get that \$500 base. We are only talking about the increment. If the redevelopment agency is performing as intended the goal is that valuations within those neighborhoods go up and the increment goes up. After 30 years—a redevelopment plan only lasts for 30 years—all of the increment returns to taxing agencies that are a part of the redevelopment agency.

The taxing agencies Clark County uses are the same taxing agencies used by the City of Las Vegas, the City of Henderson and the City of North Las Vegas, so there is no differentiation. Those are set by statute. When Clark County's taxing districts are different and taking out an amount other than allotted or varying from the Cities of Henderson, North Las Vegas, or Las Vegas, those things are set in place. The tax increment is standard across all redevelopment agencies in southern Nevada.

The 18 percent set-aside is a portion of the redevelopment fund. It is a portion of the increment. If the increment was \$1,500, that revenue is flowing into the redevelopment fund. Eighteen percent of the \$1,500 is the portion set aside for

either education or, for the City of Las Vegas, affordable housing and education. The funds are taken out of their annual revenue and can only be used for a specific purpose. The tax increment and the 18 percent set-aside are two different things.

SENATOR NEAL:

If you are taking it back to 2002, what current base are you using? That matters because with any new development that comes, the County gets that excess. The base from 2002 is excessively low. What is the number?

MS. COLEMAN:

I do not have a number for the base. We have done estimates based on our existing redevelopment agency and the three areas contained in that. The annual revenue based on using all of those numbers is roughly \$7.6 million to \$7.7 million.

SENATOR NEAL:

A new development in that area will give the County some excess, so what are your estimates? The County has to be envisioning a project. Applied Analysis did some hypotheticals for the County. Give me an example if it said the County wants to build a shopping center. What money would the County get from that new development that could then be recycled? Did Applied Analysis give you any hypotheticals?

MS. COLEMAN:

We do not have any estimates. That was not the purpose of the study. The study was to determine whether any areas in Clark County could benefit from the redevelopment law and to identify potential evaluation areas. The County has not identified specific projects. This has been a slow process. The redevelopment study was requested by the Clark County Board of Commissioners in the summer of 2019. I was hired in November 2019. I provided some knowledge from my previous work experience. I showed the Board it they already had an agency and the ability to turn it back on. But because this has been a long and thoughtful discussion, no particular project has been considered. Applied Analysis did not provide any hypotheticals other than the information regarding the three existing three areas.

SENATOR NEAL:

Thank you Ms. Coleman. I appreciate all the dialogue. I would like to see the study. I support the original version of the bill Assemblywoman Summers-Armstrong presented. I do not know about the level of this amendment.

By providing the study from Applied Analysis, there can at least be some conversation from the Committee to understand the decision that would allow the County to be inserted into NRS 279. It is a big deal.

I am still not clear on which particular areas the County would develop. The County needs to prove those areas have blight and then to come back to the Legislature. I do not like randomness. I have always had a problem with redevelopment and given cities a hard time. The County will be no different.

MS. COLEMAN:

I understand your concern. Clark County is not asking whether it can turn its redevelopment agency back on. The law already allows the County to do that. Clark County is asking to be written into the same provisions a city has. A city can extend the life of its agency. Clark County can turn its agency back on if the Board of Commissioners chooses to. But based on the way the law is written and the plan only being available for 30 years, if the Board of Commissioners were to pass that resolution in the next couple of weeks, the redevelopment agency only has 12 years. The County does not have the same ability a city does to extend the life of its agency. That is what the County requests. It would follow the law just as any other agency. There are provisions specific to the cities. The County is simply asking for parity such as the ability to extend the life of the agency. It is fair that if the cities have the ability to do that, the County should also have the ability.

I just want to be clear. The County is not asking for anything above and beyond what statute provides to the jurisdictions that already have a redevelopment agency.

SENATOR NEAL:

I forewarned Ms. Jacob that I was salty about this amendment. I apologize if you feel beat up right now.

MS. JACOB:

Senator Neal, I do not feel beat up. We had a conversation before this hearing. These are good questions, and I respect your opinion. You have asked us for the feasibility study. I heard you mention it several times. We will provide the study to the Committee. You can review the work we have done so far. I can provide that immediately following the hearing.

KELLY CROMPTON (City of Las Vegas):

The City of Las Vegas supports A.B. 335. The City did not ask for this bill, but it has had many conversations with Assemblywoman Summers-Armstrong in the Assembly. The City talked her through its redevelopment agency and the projects it has done.

To address Senator Hansen's concerns, we share some of those concerns also. However, part of Ward 5's Hundred Plan in Action, which is one of Councilman Cedric Crear's priorities, includes workforce development and on-the-job training. The City hopes with his priorities in the work-force development area and the provisions in this bill, it can address some of those concerns. The City works closely with the Southern Nevada Enterprise Community Board. As it navigates through this bill and sees smaller projects, the City hopes it can give a \$10,000 incentive or a \$100,000 incentive and not the \$30 million incentives. The City can work with the SNEC Board and with the State to say we tried. We put it out there in the workforce development area and in Ward 5, showing the work our development is doing and moving on if we cannot find the people within that area.

The City provides reporting to the State. The City of Las Vegas Economic and Urban Development Department requires the City to send reports to the Legislative Counsel Bureau and the Redevelopment Agency so this is just another couple of agencies to report to.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG:

Obviously, we have a situation with the amendment. Clark County, Senator Neal and I need to have a conversation. I will get back with you. The original bill is allowable, and there can be support for that. We will figure out tonight about the other because we are close to the deadline. We will get back with you one way or another as soon as possible.

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CHAIR DONDERO LOOP:

I will close the hearing on A.B. 335. Having no further business to come before the Senate Committee on Government Affairs, the meeting is adjourned at 5:58 p.m.

RESPECTFULLY SUBMITTED:

Suzanne Efford,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
A.B. 2	B	1	Alysa Keller	Work Session Document
A.B. 3	C	1	Alysa Keller	Work Session Document
A.B. 13	D	1	Alysa Keller	Work Session Document
A.B. 14	E	1	Alysa Keller	Work Session Document
A.B. 21	F	1	Alysa Keller	Work Session Document
A.B. 22	G	1	Alysa Keller	Work Session Document
A.B. 28	H	1	Alysa Keller	Work Session Document
A.B. 48	I	1	Alysa Keller	Work Session Document
A.B. 55	J	1	Alysa Keller	Work Session Document
A.B. 55	K	1	Alysa Keller	Proposed Amendment
A.B. 63	L	1	Alysa Keller	Work Session Document
A.B. 70	M	1	Alysa Keller	Work Session Document
A.B. 71	N	1	Alysa Keller	Work Session Document
A.B. 76	O	1	Alysa Keller	Work Session Document
A.B. 77	P	1	Alysa Keller	Work Session Document
A.B. 186	Q	1	Assemblywoman Rochelle Nguyen	Conceptual Amendment
A.B. 333	R	1	Michael Pagni / Heinz Ranch Land Company	Proposed Consensus Amendment
A.B. 335	S	1	Joanna Jacob / Clark County	Proposed Amendment