Senate

COMMITTEE ON FEDERAL, STATE AND LOCAL GOVERNMENTS

Minutes of Meeting -- February 12, 1969

The tenth meeting of the Committee on Federal, State and Local Governments met on February 12, 1969, at 3:00 P.M.

Committee Members present: Chairman James Gibson Warren L. Monroe Vernon E. Bunker Marvin L. White Chic Hecht Carl F. Dodge

Also present were:

Clay Lynch, City Manager, North Las Vegas Press representatives.

Chairman Gibson called the meeting to order at 3:00 P.M. Under consideration were several bills.

<u>SB-114</u> Proposed by Committee on Federal, State and Local Governments. Authorizes issuance of general obligation bonds by Las Vegas Valley Water District without election.

This bill had been discussed in the previous meeting, with testimony from Mr. Pat Head, Director of the Las Vegas Valley Water District. Chairman Gibson stated that the necessary amendment was in, changing the amount on line 3 to \$15,700,000.00.

Senator White moved "Amend and Do Pass," seconded by Senator Farr. Vote was unanimous for passage.

<u>SE-138</u> Proposed by the Clark County Delegation. Authorizes temporary borrowing by Las Vegas Valley Water District.

This bill had also been on the agenda the previous meeting, at which time there was thorough discussion. The necessary amendment was read by Chairman Gibson -- page 2, line 15, inserting the following: "amount of any indebtedness authorized by vote of the qualified electors of the district and not otherwise incurred." A brief discussion followed. Senator Monroe questioned the financial responsibility of this area of the bill in regard to political subdivisions in future application of this language.

Senator Farr moved "Amend and Do Pass," seconded by Senator Bunker. Vote was unanimous for passage.

<u>SE-148</u> Proposed by Committee on Federal, State and Local Governments. Authorizes refunding of certain North Las Vegas special assessment bonds.

Chairman Gibson reminded the Committee that Nr. Frank Baykin had stated that there had been a request from the attorney in the case involving North Las Vegas





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for protective language in this bill, to assure that the status of the suit is not undermined. The amendment would occur in Sec. 8. Mr. Lynch stated that he was in complete accord with this language and had no question regarding the proposed amendment.

Chairman Gibson recalled that there had been some question of timing regarding this bill -- and that the Committee had felt it should be moved when the amendment was ready. The interest rate on the new bond sale would be about 6½%. Mr. Lynch pointed out that the first factor involved here would be postponement of principal for four to five years and would, in fact, solve all their financial problems for five years. The interest payments, he added, on the new issue will be low enough that it can be more than met by the security of the properties receivable which have already been pledged in the transaction. They expect to get out of court and into the development of the property -- to where it will not be a problem -- in the near future.

To a question regarding the interest rate, Chairman Gibson noted that the interest rate is above the average yield. Senator Hecht wondered what would occur should they get out of court in a short length of time -- one year, for example. Both Chairman Gibson and Senator Dodge pointed out that in that event all monies coming in would apply to the debt and Mr. Lynch added that the bonds would be called as soon as the case was out of court. Sec. 5 of this bill makes it clear, said Senator Dodge, that any monies would thus apply. Mr. Lynch stated that the property would be sold by order of the court -- and then spoke briefly of the interest of prospective buyers in the property. However, "no one wants to buy a lawsuit," and so, at this time, there have been no real offers on the property. Senator Gibson recalled that the appraisals on the property were available and that low appraisal was \$5,000,000.00 and high appraisal was \$9,200,000.00.

Senator Dodge asked Mr. Lynch if he or the City administration had any reservations regarding the sale of the property and the answer was negative. Mr. Lynch pointed out that the only problem was getting out of court.

After further brief discussion Senator Dodge moved "Amend and Do Pass," seconded by Senator Monroe. Vote was unanimous for passage.

AJR-12. Proposed by Messrs. Bryan Hafen, Tim Hafen and Bowler. Memorializes Congress and Department of Interior to fund and complete Dixie Project, and Clark County commissioners to assist flood victims.

There was a brief discussion and Chairman Gibson explained the bill.

Senator Monroe moved "Do Pass," seconded by Senator Bunker. Vote was unanimous for passage.

<u>SB-149</u> Proposed by Committee on Federal, State and Local Governments. Authorizes studies for development of water resource plan. Executive estimate of cost: None.

Chairman Gibson reminded the Committee that there had been a study by a special subcommittee in the Legislative Commission, and they came back and stated that the magnitude of the factors involved in this was beyond the ability of a special subcommittee and they suggested that we appropriate some money to the



State Engineer and have him make this study. There was a delay in doing this at the last session, because it was felt that there was no plan on how they would spend the money or what they would do. In the Finance Committee, money was found that would enable the start of this study and they memorialized the Governor to include the study in his budget at this time and he has done so. Statutory authority is necessary to implement this. It is felt that this is going to be a continuing responsibility to maintain the inventory both of resource and use.

Senator Monroe moved "Do Pass," seconded by Senator Dodge. Vote was unanimous for passage.

<u>SB-151</u> Proposed by Committee on Federal, State and Local Governments. Removes obsolete language concerning special districts.

Chairman Gibson stated that this was one of the "clean-up" bills requested by Mr. McBonald.

Senator Monroe moved "Do Pass," seconded by Senator Hecht. Vote was unanimous for passage.

<u>SB-26</u> Proposed by Committee on Federal, State and Local Governments. Authorizes public employees' retirement board to defer payments due from local governments on their securities. Executive estimate of cost: None.

Senator White moved indefinite postponement, seconded by Senator Hecht. Vote was unanimous for this action.

Chairman Gibson instructed the Committee to study various bills, and he scheduled future hearings.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Burke

Patricia F. Burke Committee Secretary



SENATE BILL NO. 114—COMMITTEE ON FEDERAL, STATE AND LOCAL GOVERNMENTS

FEBRUARY 3, 1969

Referred to Committee on Federal, State and Local Governments

SUMMARY—Authorizes issuance of general obligation bonds by Las Vegas Valley Water District without election. (BDR S-606)

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EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT authorizing the issuance of bonds of the Las Vegas Valley Water District without an election; withdrawing authorization to issue bonds as given by the electors of the district on July 27, 1965, to the extent that bonds are issued pursuant to this act.

WHEREAS, On July 27, 1965, a special election was held in the Las Vegas Valley Water District to approve the issuance of general obligation bonds by the district in the principal amount of \$15,000,000 at an interest rate not to exceed 5 percent, payable semiannually, for the acquisition and construction by the district of facilities for the production, storage, transmission and distribution of water, and for all related expenses; and

WHEREAS, The electors of that district approved, in the manner provided by law, the issuance of such bonds; and

WHEREAS, Pursuant to resolutions adopted December 21, 1965, and
June 20, 1967, bonds in the amounts of \$5,000,000 and \$6,000,000,
respectively, have been issued and sold in accordance with the provisions
of the Las Vegas Valley Water District Act and the bond proposition;
and

15 WHEREAS, \$4,700,000 of the authorized bonds have not been issued 16 and sold; and

WHEREAS, The legislature finds that the issuance of the remaining bonds without election is advisable in view of the highly unsatisfactory bond-marketing experiences of public issuers which have resulted from an unanticipated rise in interest rates and is necessary to avoid the postponement of the completion of the essential public project for the construction of a major water distribution system within the Las Vegas Valley Water District; now, therefore,

25 The People of the State of Nevada, represented in Senate and Assembly,
 26 do enact as follows:

S. B. 114

SECTION 1. Notwithstanding any other provision of law, the Las Vegas Valley Water District, a public corporation formed under the pro-visions of chapter 167, Statutes of Nevada, 1947, as amended, in order to accomplish any of its corporate purposes, may issue its general obliga-tion bonds in the principal amount of not to exceed \$4,700,000 without obtaining the approval of the electors of the district as required by chapter 167, Statutes of Nevada 1947, at the maximum interest rate of 6 percent per annum. Such bonds shall otherwise conform to the requirements of

chapter 167, Statutes of Nevada 1947. SEC. 2. To the extent that bonds are issued pursuant to the authority granted by section 1 of this act, the legislature hereby withdraws the authority of the district to issue a like amount of bonds, which authority was given by the electors of the district at the election held on July 27, 1965.

SEC. 3. This act shall become effective upon passage and approval.



SENATE BILL NO. 138-CLARK COUNTY DELEGATION

FEBRUARY 5, 1969

Referred to Committee on Federal, State and Local Governments SUMMARY—Authorizes temporary borrowing by Las Vegas Valley Water District. (BDR S-1282)

EXPLANATION-Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT to amend the title of and to amend an act entitled "An Act to create a water district in the Las Vegas valley, Clark County, Nevada; to provide for the procurement, storage, distribution and sale of water and rights in the use thereof from Lake Mead for industrial, irrigation, municipal, and domestic uses; to provide for the conservation of the ground-water resources of the uses; to provide for the conservation of the ground-water resources of the Las Vegas valley, and to create authority to purchase, acquire and construct the necessary works to carry out the provisions of this act; to provide for the issuance of district bonds; to provide for the levy of taxes for the payment of operation and maintenance expenses and to supplement other revenues avail-able for the payment of principal of and interest on such bonds of said district; granting said district the franchise to carry on its operations in munici-pal corrections within its houndaries; exempting the property and bonds of pal corporations within its boundaries; exempting the property and bonds of said district from taxation; validating the creation and organization of said district; and for other purposes related thereto," approved March 27, 1947, as amended; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. The legislature finds that:

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1. The general range of interest rates on bonds and other forms of 2 indebtedness issued by counties, cities and other public corporations in the State of Nevada is higher than it has been for approximately 30 years. 3 4 2. The Las Vegas Valley Water District has authorized but unissued 5 the amount of \$4,700,000 of general obligation bonds of the district, 6 which bonds are part of a total issue of \$15,700,000 authorized at an 8 election held in the district on July 27, 1965, and that such bonds were

authorized to finance a major capital improvement program of the district. 9 3. Because of the high interest rates payable on bonds as aforemen-10 tioned, the Las Vegas Valley Water District should be given power to 11 incur, in the alternative, forms of indebtedness which could be issued at 12 lower rates of interest than bonds. 13

4. In order to make such alternate forms of indebtedness available 14 to the district, it is necessary that the Las Vegas Valley Water District 15

> Original bill is <u>3</u> pages long. Contact the Research Library for a copy of the complete bill.

S. B. 148

SENATE BILL NO. 148—COMMITTEE ON FEDERAL, STATE AND LOCAL GOVERNMENTS

FEBRUARY 10, 1969

Referred to Committee on Federal, State and Local Governments

SUMMARY—Authorizes refunding of certain North Las Vegas special assessment bonds. (BDR S-1340)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the city of North Las Vegas; authorizing the refunding of certain special assessment bonds; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. The legislature finds:

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That the city of North Las Vegas has been unable to collect the
 special assessments levied on property comprising its Improvement Dis trict No. 30 and falling due prior to the effective date of this act.

5 2. That compliance by the city of North Las Vegas with the provi-6 sions of section 97 of chapter III of the city charter, requiring the levy 7 of an ad valorem tax on all property in the city to meet the payments of 8 principal and interest due on its special assessment bonds, would have a 9 severe adverse effect not only on the ability of the city to discharge its 10 other governmental responsibilities but also on the tax structure of Clark 11 County.

12 3. That the problem is temporary and unique to Improvement Dis-13 trict No. 30 of the city of North Las Vegas, so that a general law cannot 14 be made applicable.

15 SEC. 2. 1. The city council of the city of North Las Vegas is hereby 16 authorized, upon obtaining the consent of the holder or holders of its 17 Local Improvement Bonds, Series April 1, 1966, to accept refunding 18 bonds in exchange for such bonds, to issue refunding bonds in the amount 19 and on the terms provided in this act, notwithstanding any contrary pro-20 vision of:

(a) Any general law;

(b) The charter of the city of North Las Vegas; or

(c) Any other special law.

24 2. Such refunding bonds may be issued only in exchange for the 25 bonds to be refunded.

26 SEC. 3. 1. The principal amount of the refunding bonds to be issued 27 pursuant to this act shall not exceed the total of:

Original bill is on file at the Research Library.

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(a) The unpaid principal amount of the Local Improvement Bonds, Series April 1, 1966; and

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(b) The interest unpaid and accrued to the date of exchange on the Local Improvement Bonds, Series April 1, 1966, including interest accrued at the coupon rate on any bond which became due but was not paid prior to the date of exchange.

2. The interest rate of the refunding bonds to be issued pursuant to this act shall not exceed 7 percent per annum.

SEC. 4. 1. The refunding bonds to be issued pursuant to this act 10 shall mature serially over a period beginning not more than 5 years after their date of issue and ending not more than 20 years after their date of issue.

2. Each such bond shall contain a provision that it may be called and paid, prior to maturity, when money becomes available to the city from the payment or foreclosure of the special assessments levied on property comprising Improvement District No. 30. If fewer than all of the outstanding bonds can be so paid at one time, those first maturing shall be first paid.

19 SEC. 5. 1. The city council shall immediately apply to the redemp-20 tion of any outstanding refunding bonds issued pursuant to this act the 21 proceeds of any judgment in any action to enforce the lien of special 22 assessments levied on property comprising Improvement District No. 30, when and as recovered.2. The city council sha 23

2. The city council shall further pledge to the payment of the interest and principal of any refunding bonds issued pursuant to this act, so long 24 25 26 as any such bonds remain outstanding, the entire proceeds of interest 27 and principal to be received after the effective date of this act from the sale of the so-called "Ronnow" property to Pardee Phillips in 1963, or from any judicial enforcement of the contract or promissory notes relat-28 29 30 ing to such sale.

31 SEC. 6. Any refunding bonds issued pursuant to this act shall not 32 constitute a debt of the city of North Las Vegas, and shall be payable 33 solely from:

1. The proceeds of the special assessments levied on property com-prising Improvement District No. 30; 34 35

The other moneys required by section 5 of this act to be pledged 36 2. 37 or applied to their payment; and 38

3. General tax proceeds only if the sources described in subsections 1 and 2 are insufficient for their payment.

SEC. 7. The city council may provide by ordinance for any appropri-40 ate details of the issuance of refunding bonds pursuant to this act, but 41 42 every such provision must be consistent with the restrictions and requirements imposed by this act. SEC. 8. 1. This act shall become effective upon passage and approval. 43

44 2. If the consent of the holder or holders of the Local Improvement 45 Bonds, Series April 1, 1966, of the city of North Las Vegas to accept 46 refunding bonds in exchange therefor is not obtained prior to December 47 31, 1969, this act shall expire by limitation on December 31, 1969. 48

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ASSEMBLY JOINT RESOLUTION NO. 12-MESSRS. BRYAN HAFEN, TIM HAFEN AND BOWLER

JANUARY 30, 1969

Referred to Committee on Agriculture

SUMMARY-Memorializes Congress and Department of Interior to fund and complete Dixie Project, and Clark County commissioners to assist flood victims. (BDR 1223)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

ASSEMBLY JOINT RESOLUTION—Memorializing the Congress and the Department of the Interior to authorize funds and planning necessary to complete the Dixie Project in Nevada and Utah and the board of county commissioners of Clark County to render immediate relief for flood victims.

1 WHEREAS, Recent severe flooding in the Virgin River area of Nevada, 2 Arizona and Utah emphasizes the fact that remedial measures are essen-3 tial for the welfare of the people and the relief of the economy of this 4 important region; and

5 WHEREAS, The Dixie Project continues to be of vital importance to 6 this area for irrigation and flood control purposes; and

WHEREAS, The completion of studies and surveys and the authorizations of funds are even more urgently solicited now than they were by
the 54th session of the Nevada legislature in Assembly Joint Resolution
No. 18; and

11 WHEREAS, Immediate relief is needed at the local level for recent flood 12 victims; now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly,
That the Bureau of Reclamation of the Department of the Interior is
hereby memorialized to complete all studies and surveys necessary for
the construction of this vital project; and be it further

Resolved, That the Congress of the United States is hereby memorialized to authorize all funds necessary for planning and construction of the
Dixie Project; and be it further *Resolved*, That the board of county commissioners of Clark County

20 *Resolved*, That the board of county commissioners of Clark County 21 is hereby memorialized to render immediate assistance to recent flood 22 victims in the Virgin River watershed; and be it further

23 *Resolved*, That copies of this resolution be prepared by the legislative 24 counsel and delivered forthwith to the members of the Nevada, Arizona 25 and Utah congressional delegations, the President of the Senate and the 1 Speaker of the House of Representatives of the United States, the chairman and members of the Senate and House of Representatives committees on Appropriations and Interior and Insular Affairs, the Secretary of the Department of Interior, the Commissioner of the Bureau of Reclamation, the legislatures of the States of Arizona and Utah, and the members of the board of county commissioners of Clark County.

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SENATE BILL NO. 149-COMMITTEE ON FEDERAL, STATE AND LOCAL GOVERNMENTS

FEBRUARY 10, 1969

Referred to Committee on Federal, State and Local Governments

SUMMARY—Authorizes studies for development of water resource plan. Executive estimate of cost: None. (BDR 48-306)

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EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to water resource planning; authorizing the state engineer to con-duct studies for the development of a water resource plan; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. Chapter 532 of NRS is hereby amended by adding thereto a new section which shall read as follows:

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The state engineer, with the approval of the director of the state department of conservation and natural resources, may:

1. Conduct necessary studies, investigations and inventories for the development of a comprehensive water resource plan for the State of Nevada.

2. Review and evaluate proposals by federal, state and local agencies for flood control and water development projects to insure protection of the public interest in compliance with Nevada water laws. SEC. 2. This act shall become effective upon passage and approval.

Original bill is on file at the Research Library.

S. B. 151

SENATE BILL NO. 151-COMMITTEE ON FEDERAL, STATE AND LOCAL GOVERNMENTS

FEBRUARY 10, 1969

Referred to Committee on Federal, State and Local Governments

SUMMARY-Removes obsolete language concerning special districts. (BDR 31-895)

EXPLANATION--Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to local government finance; correcting language relating to special districts.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. NRS 354.460 is hereby amended to read as follows: 1 2 354.460 1. At the first tax levy following the creation of any emer-3 gency indebtedness, the governing board of any political subdivision shall 4 5 6 7 8 9 fund in the county treasury in the cases of towns, school districts, irriga-10 tion districts, [mosquito abatement districts,] special districts or agricul-tural associations, [or fire protection districts,] to be used solely for the 11 12 13 purpose of redeeming the emergency loan for which the same is levied. 2. The board of county commissioners of any county is authorized. 14 upon receipt of a written resolution of the board of trustees of a school 15 district, to transfer the money remaining in the emergency loan fund of 16 that school district to the school district fund after payment in full of the 17 emergency loan and the interest thereon. SEC. 2. This act shall become effective upon passage and approval. 18 19

Original bill is on file at the Research Library.

S. B. 26

SENATE BILL NO. 26—COMMITTEE ON FEDERAL, STATE AND LOCAL GOVERNMENTS (by request)

JANUARY 21, 1969

Referred to Committee on Federal, State and Local Governments

SUMMARY—Authorizes public employees' retirement board to defer payments due from local governments on their securities. Executive estimate of cost: None. (BDR 23-416)

EXPLANATION--Matter in *italies* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the investment of funds by the public employees' retirement board; authorizing negotiation for the deferment of payments due on securities issued by local governments of this state; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. Chapter 286 of NRS is hereby amended by adding thereto a new section which shall read as follows:

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1. The legislature declares that it is part of the public policy of this state to preserve the credit of its local governments, and that the board may properly pursue this objective whenever consistent with its primary duty to preserve the principal of its invested funds.

2. If any local government in this state discovers that it will be 7 unable, or unable without unreasonable hardship, to meet a payment of 8 9 interest or principal upon any of its securities held by the board at the 10 time such payment is due, and so notifies the board through the executive secretary, the board may negotiate with the local government debtor to 11 defer payment upon such terms as the board may find just to such debtor 12 13 and conducive to the ultimate discharge of the obligation. Such deferment does not constitute default. 14

15 SEC. 2. The legislature hereby ratifies any action taken by the public 16 employees' retirement board prior to the effective date of this act which 17 was in furtherance of the public policy declared in subsection 1 and sub-18 stantially in compliance with the procedure established by subsection 2 of 19 section 1 of this act.

20. SEC. 3. This act shall become effective upon passage and approval.

Original bill is on file at the Research Library.

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Amendments to Assembly / Senate Amendments to Assembly / Senate Bill / Zazut Resolution No. 114 (BDR S-606) Proposed by Committee on Federal, State and Local Governments

Amendment Nº 1384

Amend the preamble on page 1, line 3, by deleting "\$15,000,000" and inserting "\$15,700,000".

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25522222 / SENATE AMENDMENT BLANK Amendments to 2A52522242 / Senate Bill / Zaizztz Resolution No. 138 (BDRS-1282) Proposed by Committee on Federal, State and Local Governments

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Amendment N? 1394

Amend sec. 2, page 2, line 15, by deleting "sum of \$5,000,000;" and

inserting:

"amount of any indebtedness authorized by vote of the qualified electors of the district and not otherwise incurred;". ASSEMBLY / SENATE AMENDMENT BLANK Amendments to xAssembly / Senate Bill x Xxint Exclusion No. 148 (BDRS-1340) Proposed by Committee on Federal, State and Local Governments

Amendment Nº 1392

Amend sec. 8, page 2, by deleting line 44 and inserting:

"Sec. 8. The issuance of refunding bonds pursuant to this act shall not alter or abridge any lien securing the Local Improvement Bonds, Series April 1, 1966. Every such lien shall remain in full force and effect as security for the refunding bonds to the same extent and in the same manner as formerly for the bonds refunded. Such issuance shall not:

I. Reduce or defer any assessment, interest or penalty levied upon any property included within Improvement District No. 30;

2. Increase the obligation of any owner of any such property unless such owner consents in writing to an increase; or

3. Affect any action or proceeding instituted to foreclose an assessment lien on any such property.

Sec. 9. 1. This act shall become effective upon passage and approval."