

Assembly
GOVERNMENT AFFAIRS COMMITTEE
MINUTES OF THE MEETING
MARCH 30, 1971

ALL MEMBERS PRESENT.

ALSO PRESENT: JOHN BROOKE, SPARKS CITY MANAGER
ASSEMBLYMAN MELLO
ASSEMBLYMAN FOOTE
CURT BLYTH, NEVADA MUNICIPAL ASSOCIATION
RUSS MAC DONALD
DR. GUILD GRAY

The meeting was called to order by Chairman Smith.

SB 433 - Creates Department of Finance in city of Sparks and provides for director thereof; abolishes office of city treasurer.

Mr. MacDonald explained to the committee that the bill does these following things:

- 1. Creates Department of Finance
- 2. Provides for the director to be appointed by the city manager with the consent of the city council.
- 3. Outlines the duties of the office.

Mr. Mac Donald explained that the trend in the State seems to be the creation of departments in stead of offices.

City Manager Brooke explained that the duties of the city treasurer had never been clearly defined and this bill would do this. It was also in compliance with the new city charter.

Assemblyman Lauri moved DO PASS.
Assemblyman Frazzini seconded the motion.
The motion carried unanimously.

SB 518 - Enacts new Sparks city charter.

Mr. Mac Donald explained that this charter was one of the charters that originated from the Municipal Government Subcommittee Study. He stated that the Sparks city officials had co-operated fully with the subcommittee and that they had tried to work out a streamlined charter that still retained some of the particularities that they felt should be retained. He pointed out that the position of director of finance was included in the new charter. The purpose of the study was to overhaul the charters and give the cities the authority to act upon maters that effect them without legilative action. Chairman Smith asked if the representatives of Sparks wanted the charter amended so that legal advertising had to be done in the local paper.
It was the general opinion of the Sparks representatives that

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the work would be done in Sparks as a general rule, except in cases where there was a time element. They felt that amending the charter might hamper the officials in such cases.

Assemblyman Foote questioned the language in lines 13 and 14 of page 9.

Mr. Mac Donald agreed that this was a technical amendment that should be made.

Assemblyman Foote asked why the department heads had to be citizens of the United States and not the elected officials.

Mr. Mac Donald explained that the requirement for citizenship for elected officials was in the Constitution and for the department heads had to be contained in the charter.

Assemblyman Foote also questioned the voters lists being available from the city clerk.

Mr. Mac Donald explained that they were not at present supplied by the city clerk, but this would allow for the day when the city clerk did supply such a list. Mr. Mac Donald suggested that it should be amended to say such list would be supplied at a cost set by the city council.

Assemblyman Foote and Mello told the committee that they were satisfied with the charter as it would be amended by the Legislative Council Bureau.

City Manager Brooke told the committee that the city council had asked him to suggest that staggered terms for the council be included with terms of 6 years for Wards 2, 4, and 5 and 4 year terms for the other Wards. That the city clerk and mayor have 6 year terms.

Assemblymen Foote and Mello said they opposed such a change.

Mr. MacDonald stated that such an amendment for the present charter was in the Federal, State and Local Government Committee at present.

Mr. MacDonald said that if that bill passes it should be passed before the new charter because some changes of terms would have to be made in the new charter. He also stated that the bill in the Senate was of interest because of a sentence in the Constitution which limits the terms of officials to four years except in the case of any officer or employee of any municipality governed by legally adopted charter.

Mr. MacDonald said the question of who legally adopted the charter is not answered in the Constitution.

Mr. Mac Donald suggested that he would draft the two proposed amendments and hold the bill in his office until action is taken on the other bill in the Senate.

Assemblyman Hawkins moved that AB 518 be given a DO PASS AS AMENDED recommendation.

Assemblyman Getto seconded the motion.

The motion carried.

SB 306 - Makes various amendments relating to cities incorporated under general law.

Mr. Mac Donald explained to the committee that this bill applies only to the cities of Fallon, Ely, Lovelock and Winnemucca, the general charter cities. It would amend Chapter 266 of the Code. Chapter 266 is actually the charter of these cities Chapter 268 applies to all types of cities and gives them certain general powers. SB 306 would allow the 266 cities to use some of the powers granted to the other cities under 268. It makes sure that everything is covered and gives them as much leeway as can be given to cities and is a recommendation of the Municipal Government Subcommittee. It contains no major changes in the charters of the cities. Assemblyman Getto asked why the provision relating to the railroad companies was included.

Mr. MacDonald explained that Lovelock was most interested that this be included. It had been amended out in the Senate and then had to be included back in the bill and there was also a second change made in the Senate that provides that the city councils can act as insurance agents for revenue purposes only and he did not know why this was included in the bill. Mr. Mac Donald suggested that the railroad lobbyists be question about the railroad grade crossing and such other matters if the committee wished.

SB 348 - Revises laws pertaining to public securities.

SB 536 - Liberalizes interest provisions of special assessment securities remaining unsold on date of act.

Mr. Mac Donald suggest both bills be discussed at the time as they both dealt with the same subject. It was his opinion that SB 536 would not be needed if SB 348 were passed. Mr. Mac Donald to the committee that the general thrust of the bill (SB 348) was to deal with all types of securities and increase the maximum interest rate to 8% with respect to general obligation bonds, and revenue and special assessment bonds, and also increases the discount and premium rates to reflect the interest rate increase. Mr. MacDonald made some general observations concerning this bill. He stated it was such an involved bill because they had attempted to catch all the things that were concerned and not leave any loose ends. The bill redefines State and Federal government. This was done at the recommendation of bond council as the words towns, municipality, ect. denote to them any number of things and definitions are given for each as used in the bill. It also attempts to answer what is an apparent conflict in the bond laws with the Uniform Commercial Code and the Securities section. It makes specific regulations that are lacking in the Commercial Code. Every section of the code was examined and brought into line. The market locks in at times and the discount rate changes. There is a differential rate regard to special assessment bonds which have to be issue for an exact amount

This also relates to the University Securities act and recognizes what the federal government is doing in contributing a per centage or total of money to go toward the sinking fund. This provision will allow the University to recognize this as pledged revenue.

Mr. MacDonald stated that if the new charters were in effect this bill would have only contained about 40 pages, however about 60% of the bill have to do with special chartered cities that have interest rates in respect to securities and this bill will only be in effect for two years. The new charters recognize the 8% interest rate. Mr. Mac Donald suggested that SB 536 be indefinitely postponed because SB 348 takes care of the provisions of SB 536 in Section 90 and Section 91. Assemblyman Hawkins questioned the language on page 23, line 31. Mr. Mac Donald agreed that it should be so that the language is correct.

Assemblyman Ronzone moved DO PASS AS AMENDED.
Assemblyman Getto seconded the motion.
The motion carried.

Assemblyman Bryan moved an indefinite postponement on SB 536.
Assemblyman Getto seconded the motion.
The motion carried.

SB 423 - Removes ambiguous provisions requiring certification of unaudited claims against counties.
Assemblyman Bryan moved DO PASS.
Assemblyman Lauri seconded the motion.
The motion carried.

SB 482 - Enacts new Gabbs city charter.
Assemblyman Ronzone moved Do Pass.
Assemblyman Bryan seconded the motion.
The motion carried.

AB 776 - Incorporates City of Carlin in Elko County.
Assemblyman Lauri moved DO PASS.
Assemblyman Dini seconded the motion.
The motion carried.

A discussion was held concerning AB 631 - Mr. Mac Donald explained that it was necessary to have the regulations built in and this bill would do it. He stated that the Public Service Commission sometimes took so long that it made it impossible to obtain federal grants until the rates were set and that the rates could not be set until the grants were received so that really the situation needed clearing up.

Dr. Gray agreed.

Mr. Blyth expressed his fear that this bill would allow the county commissioners to move in and take over existing water and sewer districts, and he also pointed out that the inclusion of airport districts in this bill was unnecessary in his opinion.

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and the 9% has to do with the breakage rate. Special assessment bonds normally are issued in amounts of one thousand dollars or five thousand dollars but they are issued in a special amount to equal the cost of the project so that you can have an odd number of dollars which has to be represented by one instrument so that the principal is not used to pay the interest. He stated that this is a trick of the trade. The discount is practical experience is not a great amount. Mr. Mac Donald stated that this bill had been gone over by Mr. Gray, the bonding attorneys and himself and he felt that it was technically correct as far as the breakage, discount, premium and the maximum rate are concerned.

Chairman Smith asked for an explanation of Section 31.5. Mr. MacDonald explained that this section has to do with the right to negotiate on a failure to obtain an adequate bid, and reads that if all the bids are rejected the commission may readvertise in the same manner as provided for in the original manner as provided for or may sell the securities privately within a period not exceeding 90 days from the day designated for sale when sealed bids shall be received and opened publicly. Mr. Mac Donald stated that he felt there had been a natural reluctance to allow a private sale, and this section does not allow it except under these circumstances when notice has been given the bidders and no bids are received or bids that the interest rate is too high, so this allow the public officer to go to a private sale within 90 days, but still conforms to the interest rate.

Dr. Gray told the committee that the interest rate really means little with regards to bonds because the market really sets the interest rate.

Mr. Mac Donald told the committee that the national trend is to take the maximum interest rate off. This provision is a compromise and gives at least 90 days to go out and sell then.

Dr. Gray stated that he felt this provision clarified the law and would make it more workable in tight money times. He also felt that bond councils would be happier with the 90 day provision.

Assemblyman Getto questioned the change on page 6, line 41.

Mr. MacDonald explained that this corrected an oversight and should have been corrected sometime during the last two sessions., and would take care of districts such as water districts which could not borrow money at 4%.

Mr. Mac Donald said they had tried to cover all things with this bill and it was maximum rates.

Chairman Smith asked that Mr. Mac Donald explain the new language dealing with the chancellor.

Mr. Mac Donald explained that this was necessary due to the authorization given to the regents to issue bonds and have them signed by the chancellors of both campuses., and this was changed last session to having one chancellor and two presidents and bond council wanted chancellor defined.

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Mr. Mac Donald agreed that Mr. Blyth's comments were well taken and such things could happen under this bill. He stated that the purpose of the bill was to cut down on number of boards operating in some counties, and to allow the boards to meet in the court house instead of within the boundaries of the districts.

It was agreed that Mr. MacDonald would work with Mr. Blyth and Mr. Adams to amend the bill so that the county commissioners could not take over existing districts, but still have the bill do what it was designed to do.

FROM MINUTES OF SENATE COMMITTEE
ON FEDERAL- STATE - AND LOCAL
GOVERNMENT

SB-348 Revises laws pertaining to public securities.

Mr. McDonald of the Legislative Counsel Bureau testified before the committee on SB-348. He noted that a parallel bill had been introduced and should be tacked onto this bill as an amendment.

Mr. McDonal then explained the theory behind the bill. He stated the primary things this bill does are: (1) with respect to general obligation securities to increase the authorized rate of all taxing units and units that have authority to borrow money through general obligations to 8%; (2) amends local government securities law; (3) amends state securities law; (4) amends the university securities assessment bonds as securities both with respect to the interest rate and the interest on the assessments per se. This also takes care of some private negotiated sales. He then went through SB-348 section-by-section, explaining what it proposes to do.

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FROM MINUTES OF SENATE COMMITTEE
ON FEDERAL - STATE- AND LOCAL
GOVERNMENT

SB-306 Makes various amendments relating to cities
 incorporated under general law.

Mr. McDonald stated that this bill goes to Chapter 266, the general law, and would affect Carlin and Boulder City and others that might be incorporated under the general law. This again, is an attempt to pull together common denominators and place them in one bill so that everyone will operate under the same rules. Exceptions are contained in the special charters and not in general laws.

Mr. Carl Soderblum, representing the Southern Pacific and Western Pacific Railroad companies stated that they oppose the language on page 9, line 1, subsection 4. He also referred to page 9, line 9, subsection 8. This language is a part of the wordage left out as follows: "tracks may be crossed at any time on any street, alley or avenue." Mr. McDonald said that this could be amended to contain the original language of the old section as suggested by Mr. Soderblum.

Mr. Clark Guild, representing the Union Pacific Railroad, referred to page 8, lines 49-50 and noted that under the old language they had set a standard of "one year" under the nuisance provision. He felt that this language as stated in the old section would be easier to live with. Chairman Gibson requested Mr. McDonald to draft the necessary amendments.

FROM MINUTES OF SENATE COMMITTEE
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GOVERNMENT

SB-536 Liberalizes interest provisions of special
assesments securities remaining unsold on
date of act.

It was explained to the committee that this bill was written in conjunction with SB-348 (securities law) and was to cover any "loose ends."

Senator Drakulich moved to "Do Pass," seconded by Senator Swobe. The motion carried.

A.B. 631

Page 7--lines 15 through 37--It is most important that Clark Commissioners have permissive power to act as ex-officio trustees for water districts and combination water and sewer districts. You know the story of Searchlight and the Desert Water District.

Page 8--lines 9 through 21--Most important that Clark County Commissioners acting as a board of trustees for a special district be allowed to meet in Court House instead of within boundaries of the special districts.

Reasons - obvious.

Page 10--lines 10 through 12--Most important that County Commissioners, when acting as a board of trustees for a water and for sewer districts, not have to go to P.S.C.. You know the Mesquite story and Federal funds. We have Overton, Searchlight, and the Clark County Sanitation District coming up.

Page 10--lines 42 through 44--Same story as lines 10 through 12 above.

Page 13--lines 25 through 26--Most important that bonds can be sold privately if no bids are received. Remember the airport.

If this bill should get in trouble, please do all you can to salvage the items above.

Dr. R. Guild Gray