

MINUTES

ASSEMBLY
GOVERNMENT AFFAIRS COMMITTEE
February 14, 1977
8:00am

MEMBERS PRESENT: Chairman Murphy
Mr. May
Mr. Craddock
Mr. Jeffrey
Mr. Mann
Mr. Moody
Mr. Robinson
Mrs. Westall
Mr. Rhoads

GUESTS PRESENT: W. W. White, Incline Village General Imp. District
Evelyn Mathis, Department of Taxation
David Howard, speaking for the late Matt Bernard
of Douglas County
Vincent Sauer, Skyland GID
Kelly Jackson, Public Service Commission
Thomas Eck, Round Hill GID

The meeting was called to order at 8:04 by Chairman Murphy who announced that the purpose of this meeting was to continue a hearing on the bills regarding General Improvement Districts, Assembly Bills 163, 165, 166, and 167.

Mr. Kelly Jackson of the Public Service Commission told the committee that it is in the public's interest to have some changes in the law regarding General Improvement Districts.

David Howard told the committee that section 15, subsection 7, line 45 of Assembly Bill 163 did not make the intent clear and added that if the Election Boards of the various counties had to run these elections it would cause a fiscal impact and be much more trouble than it is worth. He did not understand why the GID elections could not remain the way they presently are under NRS 313. He also mentioned that line 24 on page 13 would cause many problems because the GIDs cross precinct lines and intersect each other.

Assemblyman Craddock and Mr. Andy Grose of the Legislative Counsel Bureau told the committee that even though there might be a problem for the Election Board there was a problem and it needed to be solved and that the Interim Subcommittee could not think of a more proper place to put GID elections than in the county election boards.

Chairman Murphy appointed Mr. Craddock, Mrs. Westall and Mr. Jeffrey to a subcommittee to meet 2/15 to iron out the appropriate amendments necessary for the package of bills.

Mr. Russ McDonald, Washoe County, noted that changes should be made on line 39 of page 17 and on page 21 line 39, that the language is not saying the same thing.

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Mr. McDonald added that the recommendations of the subcommittee in the bulletin by the Legislative Commission regarding additional powers for the Department of Taxation on page 26 should be considered for amendment into the bills.

Mr. Wally White representing the Incline Village General Improvement District testified. His comments are attached herewith as Exhibit 1.

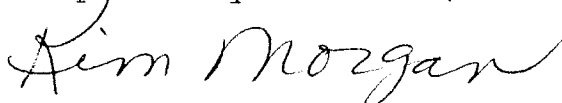
Mrs. Evelyn Mathis of the Department of Taxation told the committee to remember that there are many differences between the small GID and the large ones such as the Incline Village District. The large ones have access to counsel and expertise that the small ones can't afford to hire.

Mr. Kermit McMillan of the Incline Village GID testified, his comments are attached as Exhibit 2.

Mr. Thomas Eck representing the Round Hill Improvement District submitted a draft of a possible amendment, attached as Exhibit 3.

There being no further testimony, the Chairman announced that this would probably be the last public hearing on this package of bills and that the committee would take action after the subcommittee reported back to the committee. The meeting adjourned at 9:26.

Respectfully submitted,



Kim Morgan, Committee Secretary

February 11, 1977

To: Committee on Government Affairs
Nevada State Assembly

Subject: A.B. 163, 165, 166 and 167.

From: W. W. White, Incline Village General
Improvement District

A.B. 163

Generally Incline Village can accomodate the conditions of this bill.

For information, and needing definition, the proposed addition IVRS 308.060-g line 3 on page 4, and NRS 318.015-2 line 46 page 8 need definition of "commercial".

Limited discussion at the hearing February 8, 1977 did not lead to definition of "commercial" or clear intent of the subcommittee. The inclusion of this prohibited financing could have come from I.V.G.I.D. discussion at hearings.

The prohibition against this kind of financing would require a developer to put his money into the development. Without such fund commitment all funding can be by District using public funds. Trouble and project failures become District's, and developer once properties are sold has no interest or responsibility. Incline will not accept such projects, those they have are covered by bonds covering assessments and taxes. Without bonding Washoe County, State, District and bond holders are jeopardized. To not finance improvements on private property (condominiums, homes, apartments, homeowner associations) with public financing, let the

developer do this.

Assessments against the private properties could include public improvements on public property only (streets, utilities, etc.).

If this is intent, then change NRS. 308.060-g, page 4, line 3,

"g. The proposed district is being formed for the purpose of financing the costs of utilities, services or developments on private property."

NRS. 318.015-2, *line 46, page 8*

"1. It is hereby further declared that the provisions of this chapter are not intended to provide a method for financing costs of developing private property."

AB. 165

In general I.V.G.I.D. favors the provisions of this bill, especially that portion removing Districts from jurisdiction of Public Service Commission, but takes strong exception to the proposals of NRS 318.258,5 and 6, page 6, and of NRS 318.258-9 on page 7.

The provisions of NRS 318.258-5 and 6 should be deleted as unworkable, not necessary and detailing generally rate making and practices properly left with District policy and practices already covered by NRS 318.258-5.

The legislature does not extend details as to costs to cities or counties, nor to private utilities, these matters are details covered by tariff provisions authorized by present NRS. 318 that are well established practices properly the province of District Boards - not by a statute that is totally unacceptable and unworkable.

NRS. 318.258-9, line 9 page 7, could well be deleted as already covered by a procedure for annexation and service NRS. 318.257 and NRS 318.258. This annexation and service extension is often a problem, and if the legislature intend to introduce another layer of jurisdiction then change NRS 318.258-9 to reflect conditions of annexation.

NRS.318.258-9

The board of county commissioners of any county in which a district is located may by ordinance require that district to include additional real property within its boundaries, provided the district to which annexation is proposed has capacity and capability to provide the required service within that district's permits and other operating requirements, that all costs of extending service are assessed to the properties to be annexed, the service facilities of the properties to be annexed meet service requirements of district to which annexation is proposed and there is compliance with all requirements of NRS 318.

A.B. 166

This section deals with trustees and compensation for services. Originally these trustees served without compensation, then the compensation was increased to \$1,800 per year.

At this time District has an assessed valuation of \$90,000,000, an annual budget of \$9,000,000. There are scheduled regular meetings twice monthly and special meetings now at least weekly. With work sessions and hearings, trustees are putting in at least 16 hours weekly. Based on hours on the job, salary is comparable to the lowest paid employee.

Salaries of commissioners of smaller counties is \$4,400 per year, of larger counties with valuation comparable to Incline, compensation is \$6,600 per year. Responsibilities are such that a salary direct of \$6,000 is justified, subject to money being available, the salary is budgeted and the amount of the salary approved unanimously by the trustees.

As written, it would be illegal to employ a trustee as suggested on page 2, line 16 - leave this out. A trustee, nor any family member may work for District, nor have any other than a trustee relationship - NRS 318.0956, 316.0957.

Change NRS 318.085-5 to read:

Each member of a board of trustees of a district organized or reorganized pursuant to this chapter may receive as compensation for his service a sum not in excess of \$6,000 per year, payable monthly, if the budget is adequate and the board members unanimously vote in favor of such compensation after the item is noticed for hearing at a regularly scheduled board meeting

AB. 167

318.098-1, is a provision to provide assistance of a county official to a district at district expense.

There have been instances where services have been provided by government agencies that were not authorized as other services. Add - "in writing".

There was thought this request should go to the commissioners, but elected county officials are independently responsible for certain defined responsibilities, they may or may not provide services. Budget has some control and I hope required the commissioners to approve the amounts officials ask for services. This can be touchy, it better be understood.

This section would then read:

NRS 318.098-1

The board of trustees of any district may in writing request assistance from any elected or appointed officer of the county in which the district is located, and he shall furnish the requested assistance.

February 14, 1977

To: Committee on Government Affairs
Nevada State Assembly

Subject: Assembly Bill No. 165

From: Kermit McMillin, Incline Village General
Improvement District

A.B. 165

Reference is made to Section 4 and the amendment to NRS 318.200 paragraph 9. The provisions of this paragraph require that a lien be placed on the property being served before it becomes effective. This would create a timing problem where charges for utility services are incurred up to the date of transfer of ownership of property and the inability to continually record liens and release them as the billings are paid.

It is suggested that a provision for this transfer of property be provided for in the legislation to protect the districts from losses resulting from transfers of ownership.

Paragraph 2 of Section 4 was amended by the 1975 legislature to clarify the perpetual lien provision of NRS 318.200 and with the proposed legislation it would again become a vague provision. It is suggested that paragraph 2 remain as written in order that that perpetual lien still has a definition. By retaining the language in paragraph 2 and requiring the hearings as required in paragraph 2 the owners both past and present would be protected against unreasonable foreclosures.

The intent of paragraph 9 appears to be one of

placing the burden of title protection on districts rather than on title insurance companies. It would seem reasonable that perpetual liens of districts should be examined by title companies the same as perpetual liens of counties are examined by title companies. The provisions of paragraph 9 would place the sole responsibility upon the district and upon the innocent buyer. It would be our suggestion that the entire provision of paragraph 9 be stricken in as much as the same requirements are provided for in paragraph 2.

In the absence of the exclusion of paragraph 9, it would be requested that an additional provision be included as follows:

"e. Such recording of liens shall take place within ninety (90) days of any transfer of ownership of property."

ECK & HARKINS, LTD.

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F. THOMAS ECK, III
NICOLAUS R. HARKINS

LICENSED TO PRACTICE
NEVADA
CALIFORNIA

February 11, 1977

TELEPHONE
(702) 883-1890

MEMORANDUM TO THE ASSEMBLY COMMITTEE
ON GOVERNMENTAL AFFAIRS

SUBJECT: Proposed amendment to A.B. 165

The undersigned proposes that the amendment previously discussed relative to procedures for foreclosing on liens contain the following language:

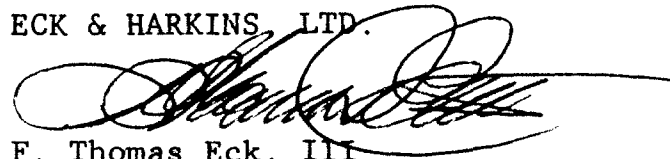
All actions to foreclosure assessment liens shall be in accordance with NRS 40.430 through NRS 40.459; provided, however, that the improvement district shall be entitled to recover a reasonable attorney's fees incurred in connection with such foreclosure proceedings.

I will be present on Monday, February 14th at 8:00 A.M. to answer any questions that you may have.

Thank you for your consideration in this matter.

Sincerely yours,

ECK & HARKINS, LTD.



F. Thomas Eck, III

GOVERNMENT AFFAIRS COMMITTEE

DATE: 2/14/77

	PRESENT	EXCUSED	ABSENT
CHAIRMAN MURPHY	✓		
VICE CHAIRMAN MAY	✓		
ASSEMBLYMAN CRADDOCK	✓		
SEMBLYMAN JEFFREY	✓		
ASSEMBLYMAN MANN	✓		
ASSEMBLYMAN MOODY	✓		
ASSEMBLYMAN ROBINSON	✓		
ASSEMBLYMAN WESTALL	✓		
SEMBLYMAN RHOADS	✓		

GOVERNMENT AFFAIRS COMMITTEE

GUEST REGISTER

DATE: 2/14/77

NAME, ADDRESS & PHONE NO.	REPRESENTING	TESTIFYING ON BILL NO.
N. N. Wheeler 875-5969 4790 Lakosido Road	IVGID.	163, 165, 166, 167
Evelyn Mathis 885-4892 1100 E Williams. CC	Dept. of Taxation	163, 165, 166, 167
David Howard Sec of State 895-5203	MATT BERNARD DOUGLAS CO.	163 / 167
VINCENT E. SAUER 588-301 P.O. Box 854 ZEPHYRUS COVE,	SKYLAND GFD	
Kelly Jackson	PSC	163
TOM ECK 883-1890 310 N. STEWART CC NEV.	RHGID	165