

MINUTES

ASSEMBLY
GOVERNMENT AFFAIRS
February 21, 1977
8:00am

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

Chairman Murphy called the meeting to order at 8:04 and explained that this meeting was to discuss Assembly Bills 245, 246, 248, 271, 287 and Assembly Joint Resolution 22 of the 58th Session and also to receive additional testimony on A. B. 163, 165, 166 and 167.

ASSEMBLY BILL 245

No one came forward to testify before the committee.

ASSEMBLY BILL 246

Mr. Bob Gagnier of the State of Nevada Employees Association spoke in favor of the bill. He told the committee that the Committee on Group Insurance is composed of five state employees who do not receive leave with pay or travel expenses to serve on this Committee. They presently can receive an administrative leave at the discretion of their division head. The problem has arisen because in the past the members of that Committee all resided in Carson City but recently the SNEA has appointed a Las Vegas resident to the Committee. The SNEA has paid the expenses of this Committee member. This bill was suggested by the administration, there is \$3,600 in the Budget for these expenses and Mr. Howard Barrett, Head of the Department of Administration, supports this bill.

ASSEMBLY BILL 248

Mr. Russell McDonald and Mr. David Ebner, Washoe County Manager and a partner in Kafury, Armstrong and Turner Co., CPA, respectively, explained to the committee that this bill had its genesis in SCR 31 of the 58th Session and its purpose was to increase the profitability of public funds. The Resolution called for a Study which is now finished and has been accepted by the Legislative Commission.

Mr. McDonald continued by saying that the Board of County Commissioners of Washoe County have agreed to let Washoe County be used as a pilot program for a study in conjunction with the State Controllers office with respect to the settlement of intergovernmental payments. This program has been going on for about eight months. There is a mass of statutes that are involved because collections, transfers, remittances, as well as possible Constitutional Amendments that might be required because of the property tax, particularly the personal property tax, that would have to be changed in order to make this program permanent. Therefore this bill has been drafted to allow Washoe County to continue in their program and to show a demonstrated effect before a large bill is introduced to change all of these statutes. The present bill only applies to Washoe County because of the population clause. He told the committee that with this bill Washoe County would be more able to invest funds on a short term basis and collect interest. This is a good management practice.

Assemblyman Robinson asked how a person would be able to check if a bill had been paid from one department to another. He was told that with the computer or even a decent accounting system that information would be readily available.

Mr. McDonald also told the committee that the Legislative Counsel has suggested that the bill only be a skeleton framework to let the Controller and the County experiment with the process.

Assemblyman Mann asked if new auditing procedures would have to be set up and Assemblyman Robinson asked if this system left itself open to abuse. Mr. McDonald answered no to both questions.

There was no opposition to this bill.

ASSEMBLY BILL 271

Mr. Arthur J. Palmer, Director of the Legislative Counsel Bureau and Mr. John Dolan, Chief Deputy Fiscal Analyst of the LCB, explained the necessity of the bill. They told the committee that on line 9 of page 2 "the research director" should be added after fiscal analysts. Some discussion followed.

ASSEMBLY BILLS 163, 165, 166, and 167

Mr. Ken Kjer, member of the Douglas County Commission, appeared and made comments regarding this legislation. His comments are attached as Exhibit 1.

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ASSEMBLY BILL 287

No one appeared before the committee to testify on this bill.

ASSEMBLY JOINT RESOLUTION 22 of the 58th Session

The committee discussed this resolution and explained it to the new members of the committee.

COMMITTEE ACTION

After discussion, the committee took the following action:

ASSEMBLY BILL 246 - Mr. Mann moved a DO PASS, seconded by Mr. Jeffrey, the motion passed unanimously.

ASSEMBLY BILL 248 - Mr. Mann moved a DO PASS, seconded by Mr. Rhoads, the motion passed unanimously.

ASSEMBLY BILL 271 - Mr. May moved to AMEND AND DO PASS AS AMENDED, the amendment being to add "research director" to line 9 page 2, seconded by Mr. Robinson, passed unanimously.

ASSEMBLY JOINT RESOLUTION 22 of the 58th session - Mr. Mann moved a DO PASS, seconded by Mr. Jeffrey, the motioned carried 7 to 2 with Mr. Moody and Mr. Robinson voting no.

There being no further business to come before the committee, the meeting was adjourned at 9:45am.

Respectively submitted,


Kim Morgan, Committee Secretary

Exhibit 1

TO: Committee on Government Affairs
FROM: Douglas County Commissioners

SUBJECT: Changes in NRS 318 as it relates to Improvement Districts
and the responsibilities of the Counties

The Douglas County Commissioners agree that changes should be made in the 318 law in accordance with the needs of today. However, we hope that the legislature realizes that, since Douglas County has used the 318 law in the past to a great extent more than any other County in the State, the changes proposed will have their greatest impact on Douglas County. The existing Board of County Commissioners are aware of the various problems connected with 318 Districts and our responsibilities in trying to correct the problems and inequities of the past. We hope that the Legislature will cooperate with us in reviewing the changes in the 318 law and take into consideration our concerns as to the effect this will have on the County and its taxpayers as a whole. We would like to take each bill as presented and discuss them separately:

AB 163

This bill should provide for authority to the County Commissioners to initiate an Ordinance wherein the Commissioners can become the Board of Trustees of a District if the Commissioners determine it is in the best interest of the Taxpayers of the District and County to do so.

Page 13 Lines 24, 25, & 26

This is a tremendous impact and demand on the County Clerk at this time. We would ask that this not be required until 1980 to give the Commissioners time to review the Districts and consolodate or reorganize them.

Page 15 Lines 36,37 and 38.

The County Commissioners sitting as the Board of Trustees should have authority over Districts authorized to provide all services as provided in 318.

Page 18 Lines 31 thru 42

This provision should apply only to a petition initiated by property owners in a District. If the County Commissioners initiate the merger, consolodation, dissolution or reorganization of the District in the best interest of the County this provision should not apply.

Page 2

Page 21 Lines 18-27

Prior to appearing before the bond commission requesting permission to issue additional bonds this information would be necessary. Since each District is required to file an annual audit with the County which shows bonded indebtedness we feel that this section will require costly and time consuming duplication of work and is an unnecessary expense.

AB 165

Page 2 ADD to line 5

The decision on rate increases shall be reviewed and confirmed by the Board of County Commissioners before taking effect. The County Commissioners could call for additional public hearings and information to substantiate the increase or decrease. This would protect the public and provide for a review of the decision of a Board of Trustees.

Page 4 Line 17 - 27

Service fees normally are the responsibility of the occupant or applicant for service and not necessarily those of the owner of the property. Proper deposits should be required of the applicant by the utility and the utility should enforce disconnection for non-payment of a bill. It is unfair to place the burden of payment on the owner of the property when it may be the responsibility of another individual. This provision could create a problem wherein the utility would not work to force payment of a bill because of this guarantee taking unfair advantage of an owner and other individuals who do pay their monthly fees.

Page 4 Line 38

As the sale of recent bonds has been at 7 $\frac{1}{4}$ % to 7 $\frac{3}{4}$ % the 6% provided is unrealistic. This figure should be increased to 8%.

Page 5 Line 3

Same - increase to 8%.

Page 6 Line 32 and 33

Existing agreements approved by the Public Service Commission show 10 years and this should conform.

Page 7 Section 7

Should include a #4 detailing the procedure for foreclosure on a special assessment. It is not clear on the manner in which a District forecloses - consider foreclosure like ad valorem taxes or a Deed of Trust. Now, matters must be taken to Court which is lengthy and costly and unfair to the property owners who do pay their assessments and must also pay additional taxes to cover the delinquencies of others.

Page 3

AB 166

No objections to this bill.

AB 167

- ✓ The Douglas County Commissioners wish to go on record as vigorously opposing this bill. The financial impact on the County would be disastrous at this time. It is unfair to other taxpayers in the County to require the County Clerk to provide services to the Districts at no fee. Developer projects and those of special benefit to the improvement District should be paid for by those benefiting and the cost to administer these past projects should be paid by the District and individuals benefited and not the County as a whole.

Page 2 Line 1 - 6

This requires payment by the County in ratio to miles of road in the County. This does not take into consideration the use of roadways (heavy or light) and the specific demands on the various roads in a County. In Douglas County we have mountain roads that are well traveled and require constant maintenance for repairs and snow removal such as Kingsbury Grade which require more funds per mile than a mile of road in Gardnerville Ranchos or Skyland Subdivision. This provision in AB 167 calls for equal funding of each.

Page 2 Lines 10 - 20

Douglas County has adopted the policy of requesting input from an improvement District on subdivisions and projects affecting each District before action is taken by the Commissioners. However, several of the Districts are not financially able to hire personnel in order to review every project presented. They are informed by the County of each proposal and, if a problem exists, they have notified the County of this particular problem. We feel that the existing policy is adequate for consideration of the Districts needs by the County Commissioners.

Page 2 Lines 22 - 35

- ✓ To require elected and appointed officials of the County to provide services as requested by the Districts would be a financial hardship on the County. Additional personnel would have to be hired in the District Attorney's office, auditor's office and Engineer's office to meet the demands of the several Districts. We feel that AB 163 with the suggested changes will give the Commissioners the opportunity to review, consolidate or reorganize the Districts to eliminate the majority of the administration costs of the several small Districts. The Commissioners must have time to work with this problem and to find a solution to providing specialized services for a segments of the Community in a way that is fair and equitable to the rest of the County residents and taxpayers.