

MINUTES

ASSEMBLY
GOVERNMENT AFFAIRS
February 24, 1977
7:30am

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

The meeting was called to order at 7:33am by Chairman Murphy.

ASSEMBLY BILL 194

Mr. Richard Bunker commented on the drafting of the bill. He told the committee that the bill removes the license investigation from the sheriff's department and creates a new department in city government. He said that the language was too broad.

Assemblyman Demers, author of the bill, told the committee that this bill is similar to a bill passed in Washington recently. He noted that the 5% figure was a figure out of the bill drafter's head. He said that he introduced this bill to aid local businessmen in Clark County.

Mr. Steven Stucker, representing North Las Vegas, told the committee that he opposed the bill because the city would lose \$40,000 if it were to pass.

Mr. Pete Kelly representing the Nevada Retail Association told the committee that he supported the concept of the bill in Washington which cuts paperwork and saves applicants time.

Mr. Bob Warren, Nevada League of Cities, told the committee that the cities are against this bill because they would lose money and it would corrode local control.

Assemblyman Jeffrey read into the record a letter from Donald M. Dawson, City Manager of Henderson, attached as Exhibit 1. He expressed his fear that under this type of program the city main decide not to have satellite offices in say Boulder City or Henderson and therefore the residents would have to go into Las Vegas to get their licenses.

ASSEMBLY BILL 186

Mr. Hal Smith was present to answer some questions regarding the bonding responsibilities of Incline Village to Washoe County.

Mr. Smith told the committee that he was part of the firm of Burrow, Smith and Company of Nevada. There are three types of bonds that are included, the general obligation bonds that school districts furnish, and in the event the committee was to proceed with the new county government or a reapportionment of the bonding debt, the covenance that exist in the general obligation bonds must be complied with. If the Washoe District were to be able to pay those bonds consistently in the tax rate that they would then have there would be no real problem but if they were short of money then they could go back into the new district of Incline Village and tax that property additional because that property is now included in the covenance of the general obligation bonds. If Incline Village area were to issue general obligation bonds for the same general purpose of education they would have actual exposure to two tax rates to support the bonds if Washoe County were not able to come up with the sufficient sum on their own behalf. There is also a general obligation revenue bond in the fair and recreation board, which is general obligations additional secured by revenues. It is a refunding issue, the same problems would occur there in that if there weren't sufficient funds generated in the old entity they would also have the power to reach over into the funds that are available in the new entity. There is a third series of bonds that are straight revenue supported by the fair and recreation board and the same general rules would apply to them. Now there are methods whereby those covenants could be changed by a refunding issue that established a new covenance, but this is quite a process and probably would not be desireable. A two year study is a wise move to make so that both entities know what their exposure is and will continue to be for the life of the bonds. Some of the bonds are relatively short but there are also some 15-20 year bonds out.

Chairman Murphy told Mr. Smith that the idea of Incline forming their own county has probably ended and will probably be put into a two year study; but there is still A.B. 186 which establishes a convention authority for Incline and Crystal Bay. He asked Mr. Smith if there would be any bonding problems in doing that. Mr. Smith replied that he would have to put together a package which would include their current improvement district debt which is quite extensive, which is a general obligation debt and would fall back to the county to pay that debt if the assessment district doesn't pay properly. The cost of the facilities that they would intend to generate currently would be an additional burden on the local assessment area and would have to be supported by the same sources of revenue that are currently going to support the county fair and recreation board now so they would in effect be increasing their obligations and the taxing on a facility to a sufficient magnitude to pay off the debt they intend to incur. It would take a very long an indepth study of their total financial picture to

really show the true consequences, but Mr. Smith felt that it would certainly cause a problem.

Chairman Murphy asked Mr. Smith to look into the matter and report to the committee any problems he does see relating to A.B.186.

Assemblyman Robinson asked Mr. Smith if he had ever known of a situation where the bonding obligations had been reassigned. Mr. Smith told him that the revenues are pledged to the retirement of the bonds, there is an increase in revenue year by year, and this creates a surplus. The legal question that needs to be answered is whether or not the money pledged can be cut off at a certain level and the payments would continue at that level until the bonds are paid off, which would leave the surplus money to be used for other things. He added that most bonds are issued with a call provision and usually that provision is for after ten years.

Assemblyman Mann explained to Mr. Smith that the Incline people really don't want to build a convention facility they just want to form a fair and recreation board so that they can take and meet their obligations to the county and then utilize what the committee was told was in excess of \$60,000 for advertising and other things. They just want to take the money that is in excess of their 1/16th obligation to Washoe County and spend it as they see fit.

Mr. Smith told the committee that he felt that how the Reno/Sparks Convention Authority spent the excess was a board prerogative.

SENATE BILL 38

Mr. Roger Trounday explained the bill. His statement is attached as Exhibit 2. He also suggested an amendment which would add to line 4 on page 1 after "license fees" add " and other fees or charges".

COMMITTEE ACTION

ASSEMBLY BILL 194 - Mr. Mann moved to Indefinitely Postpone, seconded by Mr. Jeffrey, passed unanimously.

SENATE BILL 38 - Mr. Mann moved to Amend and Do Pass, seconded by Mr. Robinson (the amendment being as Mr. Trounday suggested), passed unanimously.

There being no further business to come before the committee, the meeting was adjourned at 9:15am.

Respectfully submitted,

Kim Morgan

Kim Morgan, Committee Secretary



CITY OF HENDERSON

CITY HALL 243 WATER STREET 702/565-8921
HENDERSON, NEVADA 89015

Gateway to Lake Mead Resorts

February 15, 1977

Mr. Jack Jeffrey, Assemblyman
Legislative Building
Carson City, Nevada 89701

Dear Jack,

Reference to our conversation regarding AB 194, it appears that the intent of this bill will serve no particular value to this City government, and in fact, may reduce revenue control as far as budget process is concerned.

Gross revenues from business licenses approximate \$250,000 annually and the administrative charges by the County would approximate \$12,500. We presently have one license clerk and one license inspector.

It is my conclusion, that the inspector would have to continue in order that this function is properly policed for offenders. Convenience for local licenses would be removed and in the case of out-of-city businesses, we mail most applications, and renewals are 95% handled by mail.

Our total licenses are computerized, therefore, no advantages would be served in this area.

The City of Henderson would continue to be responsible for policing of privileged licenses, therefore, we feel that screening of applicants should remain with this agency.

Again, we feel this bill, if implemented into law, would only confuse an already workable process now in progress.

Sincerely,

A handwritten signature in cursive script that reads "Donald M. Dawson".
Donald M. Dawson,
City Manager

DMD/lm

TESTIMONY OF ROGER S. TROUNDAY
BEFORE THE GOVERNMENT AFFAIRS COMMITTEE

SB-38 Related to Radioactive Material Disposal

Introduce

Enabling legislation, Chapter 374, Statutes of Nevada 1961 was passed allowing the burial of radioactive waste. Actual burial commenced in 1962, under a lease between the current operator Nuclear Engineering Company (NECO) and the State Department of Conservation and Natural Resources. To protect against any emergency from such burial and to provide the continual monitoring of the site a Perpetual Care and Maintenance Fund was established. The state will have to conduct a monitoring program for thousands of years. We are currently charging a burial fee of 7¢ per cubic foot to be deposited into this fund. The current balance is approximately \$250,000.00. We are now in the process of renegotiating the fee schedule and the terms of the lease.

As a result of the problem at Beatty last year, we recognized that the state needed to improve its capabilities for controlling the operation at the burial site. In our recent negotiations with NECO, we have consistently held to the position that the regulatory and inspection program as well as perpetual care should be conducted at no cost to the taxpayers of Nevada.

This bill allows the Board of Health to:

1. Establish license fees by regulation;
2. Establish procedures for collection of interest on delinquent license fees, and
3. Establish a schedule of civil penalties modified after those of the U.S. Nuclear Regulatory Commission.