

GOVERNMENT AFFAIRS COMMITTEE

Minutes of Meeting - January 31, 1977

Present:

Chairman Gibson
Senator Foote
Senator Faiss
Senator Gojack
Senator Hilbrecht
Senator Raggio
Senator Schofield

Also Present: See Attached List

Chairman Gibson opened the fifth meeting of the Government Affairs Committee at 2:00 p.m. Nevada Housing Finance Laws, SB-33 and SB-34 were the first items on the agenda.

SB-33

Expands definition of "real property" in Nevada Housing Finance Law. (BDR 25-231)

Mike Melner, Department of Commerce, spoke to the committee on SB-33 and SB-34. Mr. Melner stated that the Nevada Housing Finance Laws are working very well and feels that these changes are for the most part technical.

Mr. Melner felt that in SB-33 the explanation of the definition "real property" spells out the rights to space above the land in the law for the purposes of financing under the House Jurisdiction Act.

Motion for "Do Pass" by Senator Raggio, Seconded by Senator Schofield. Motion carried unanimously.

SB-34

Makes various changes to Nevada Housing Finance Law. (BDR 25-267)

Mr. Melner stated that in SB-34 there needs to be a stronger and more explicit definition of the word "Sponsor". Mr. Melner introduced Mr. Bud Gubelman from the Housing Division to define what they meant by "Sponsor".

Mr. Gubelman indicated that a sponsor is the developer. They may or may not end up being the investors. We need to have this clearly defined in the act.

Mr. Melner went over Section 3 regarding the collateral held on loans and Mr. Gubelman explained that there needs to be a better system of keeping the collateral with the lending institution in order to keep it ear marked and updated.

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Section 4 is amended in order to clarify that we do not need to go to the board for the purposes of refunding.

In No. 5 of Sec. 4 the new language states that the establishment of this debt limitation (\$200,000,000.) shall not be construed to prohibit the division from issuing additional bonds, notes or other obligations if the debt limitation is subsequently increased.

Motion of "Do Pass" by Senator Raggio, seconded by Senator Hilbrecht. Motion carried unanimously.

SB-156

Validates securities, voted and nonvoted, securities issued in anticipation of the issuance of such securities and proceedings pertaining to such securities. (BDR S-735)

Frank Daykin, Legislative Counsel, went over this bill for the committee noting that this is a precautionary measure that bond counsel feels is necessary.

Senator Hilbrecht felt that if this bill is precautionary and will come up each session it should be placed on the consent calendar.

Motion of "Do Pass and placement on Consent Calendar" by Senator Hilbrecht, seconded by Senator Raggio. Motion carried unanimously.

SB-155

Revises provisions on auditing vocational licensing boards. (BDR 17-323)

Earl Oliver, Legislative Auditor, addressed the committee on this bill noting that the bill came about after an audit from the Health and Welfare Department.

Mr. Crossley, Deputy Legislative Auditor, stated that the key change is in line 9. It requires that the annual audit be done by the accountant and new language requires that they follow the format prescribed by the Legislative Auditor.

The committee discussed the various changes and felt that there should be an amendment put in to specify who shall pay for these audits. The following was considered, " At the time this audit is approved a determination shall be made as to who shall pay for such audit". The language will be considered and an amendment will be placed in the bill

In Section 2 the department of Human Resources was deleted with reference to skilled nursing facility administrators. They were unaware that this was within their department and no provision was made in the Governor's Budget for this expense. Senate

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Motion to "Amend and Do Pass" by Senator Hilbrecht, seconded by Senator Faiss. Motion carried unanimously.

Chairman Gibson will work out the language on the amendment and since all were in agreement as to what it should say it was felt that it should be passed out of committee.

Senator Schofield requested committee introduction of BDR-23-45. This would allow payment or credit to be given for a portion of unused sick leave.

Motion for Committee Introduction unanimously approved by the committee.

After a short recess the following bills were heard.

SB-38

Transfers responsibility for radioactive materials disposal sites to department of human resources; authorizes certain collections and payments. (BDR 40-192)

Roger Trounday, Director of Department of Human Resources spoke to the committee on SB-38. His written testimony is attached.

It was noted that the Governor's approval was written out of the bill and Mr. Trounday indicated that he would like it put back in.

Mr. Bill Horton displayed the Beatty disposal site and explained the procedures used for safety. He pointed out a 400 ft. buffer zone. He discussed the precautions that are taken and the new methods that are now being used to handle these chemicals and radioactive materials.

Mr. Trounday indicated that this has been a learning process for Nevada and stated that State controls are being used in order to protect the State. The bill enables the State to establish fines for any violations on the license. Monitoring wells are keeping track of the materials and the cost for such monitoring is partially paid for by the licensing fees required.

Mr. Norman Hall, Department of Conservation for Natural Resources, spoke to the committee. (See written testimony/attached) Mr. Hall indicated that the current balance of the radioactive waste fund is \$253,788.14.

Mead Dixon, representing nuclear engineering, had a suggestion for the committee. On Page 1, line 4 Mr. Dixon feels that since the disposer of waste might be the source it should be changed to read, "License fees of no more than \$10,000. per annum for persons

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licensed to receive radioactive materials and wastes for disposal upon state owned disposal areas."

The above amendment suggestion by Mr. Mead Dixon was discussed and the committee felt that the bill as a whole should be given some time before action was taken for further discussion.

SB-39

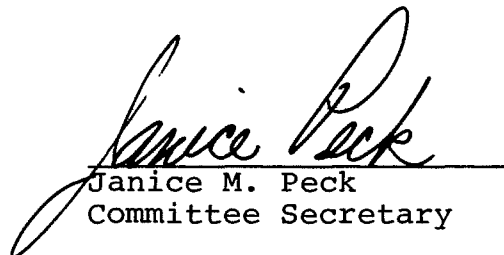
Transfers environmental protection functions to new division in Department of Human Resources and makes State Environmental Commission part of that division (BDR 18-31)

Mr. Roger Trounday also testified on this bill indicating that it truly is backup legislation.

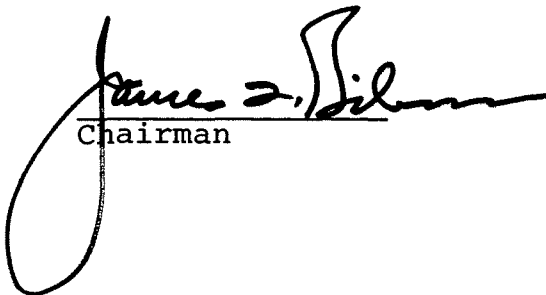
The committee would hold action on SB-39 until further discussion can be done at a later date.

With no further business the meeting was adjourned at 4:00 p.m.

Respectfully submitted,


Janice M. Peck
Committee Secretary

Approved:


Chairman

TESTIMONY OF ROGER S. TROUNDAY
BEFORE THE SENATE GOVERNMENT AFFAIRS COMMITTEE
January 31, 1977
SB-38 Related to Radioactive Material Disposal

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.

The lease for the land on which the Beatty operation is located is currently the responsibility of the Department of Conservation and Natural Resources, and the enforcement of the license is the responsibility of the Department of Human Resources. The separation of these two responsibilities caused difficulties. The state found itself being able to revoke the license of the operator but not being able to terminate the lease. The state, therefore, was not in the position to negotiate with a new operator. Section 4 of this bill places the total responsibility of both the lease and license in one department.

The ongoing licensing and monitoring activities are the responsibility of the Radiological Control Section of the Bureau of Consumer Health Protection. Currently the costs of these functions are being provided with general funds. It is our intent to recover these costs and any future costs with appropriate fees.

We are proposing the following amendments to this bill which will better enable the state to do this:

CURRENT LANGUAGE OF THE BILL

Page 1, Section 1, Number 1

1. *License requirements and fees of no more than \$10,000 per annum for disposers of radioactive materials and wastes for the use of state-owned disposal areas.*

PROPOSED NEW LANGUAGE

Page 1, Section 1, Number 1

1. *License fees of \$10,000.00 per annum, adjusted annually for the consumer price index (base period October 1, 1976) for disposers of radioactive materials and wastes for the use of state-owned disposal areas.*

CURRENT LANGUAGE OF THE BILL

Page 1, Section 2, Number Sec. 4, Line 14

1. The director of the [state] department of [conservation and natural] *human* resources may [, with the approval of the governor, lease any of the lands described in section 2 of this act, or] enter into agreements relating to [such lands,] *any of the lands described in section 2 of this act* for the purpose of providing areas to dispose of low-level radioactive waste materials by burial, and for related purposes.

PROPOSED NEW LANGUAGE

Page 1, Section 2, Number Sec. 4, Line 14

1. The director of the [state] department of [conservation and natural] *human* resources may [, with the approval of the governor, lease any of the lands described in section 2 of this act, or] enter into agreements relating to [such lands,] *any of the lands described in section 2 of this act* for the purpose of providing areas to dispose of low-level radioactive *and nonradioactive hazardous* waste materials by burial, and for related purposes.

CURRENT LANGUAGE OF THE BILL

Page 2, Section 3, Number 3, Line 23

3. Moneys in the radioactive materials disposal fund shall be used to pay the purchase price, as determined by appraisal, of the lands described in section 2 of this act, and for any other expenses necessarily incurred by the director of the [state] department of [conservation and natural] *human* resources in carrying out the provisions of this act, including *administrative and regulatory expenses* and the costs of providing [such] protection at the termination of any lease or agreement [as may be] *which is* necessary in the interests of public health and welfare.

PROPOSED NEW LANGUAGE

Page 2, Section 3, Number 3, Line 23

3. Moneys in the radioactive materials disposal fund shall be used to pay the purchase price, as determined by appraisal, of the lands described in section 2 of this act, and for any other expenses necessarily incurred by the director of the [state] department of [conservation and natural] *human* resources in carrying out the provisions of this act, including *administrative and regulatory expenses as recommended in the executive budget and approved by the Legislature* and the costs of providing [such] protection at the termination of any lease or agreement [as may be] *which is* necessary in the interests of public health and welfare.

CURRENT LANGUAGE OF THE BILL

Page 2, Section 4, Line 42

An Act authorizing the director of the state department of conservation and natural resources to acquire certain lands from the Federal Government and other owners and [lease them] *the director of human resources to arrange for their use* for the purpose of disposing of radioactive materials; providing limitations; *providing for perpetual care and maintenance upon closure of the burial site;* and providing other matters properly relating thereto.

PROPOSED NEW LANGUAGE

Page 2, Section 4, Line 42

An Act authorizing the director of the state department of conservation and natural resources to acquire certain lands from the Federal Government and other owners and [lease them] *the director of human resources to arrange for their use* for the purpose of disposing of radioactive and nonradioactive hazardous materials; providing limitations; *providing for perpetual care and maintenance upon closure of the burial site;* and providing other matters properly relating thereto.

SENATE

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS

Date 1-31-77 Time 2:00 P.M. Room 243

| Bills or Resolutions to be considered | Subject | Counsel requested* |
|---|--|-----------------------|
| SB-33 | Expands definition of "real property" in Nevada Housing Finance Law. (BDR-25-231) | |
| SB-34 | Makes various changes to Nevada Housing Finance Law. (BDR-25-267) | |
| <u>The following will be heard at 3:00 P.M.</u> | | |
| SB-39 | Transfers environmental protection function to new division in Department of Human Resources and makes State Environmental Commission part of that division (BDR-18-31) | |
| SB-38 | Transfers responsibility for radioactive materials disposal sites to department of human resources; authorizes certain collections and payments. (BDR-40192) | |
| SB-155 | Revises provisions on auditing vocational licensing boards. (BDR-17-323) | |
| SB-156 | Validates securities, voted and nonvoted, securities issued in anticipation of the issuance of such securities and proceedings pertaining to such securities. (BDR-S-735) | * |

*Please do not ask for counsel unless necessary.

