

Minutes of the Nevada State Legislature

Senate Committee on Government Affairs

Date: May 14, 1979

Page: One

Present: Chairman Gibson
Vice Chairman Keith Ashworth
Senator Dodge
Senator Echols
Senator Ford
Senator Kosinski
Senator Raggio

Also Present: See Attached Guest Register

Chairman Gibson called the forty-seventh meeting of the Government Affairs Committee to order at 2:00 p.m.

SB-576 Removes obsolete references in provisions on metropolitan police departments.

Chairman Gibson requested Frank Daykin, Legal Counsel for the Legislative Counsel Bureau to be present and go over the technicalities of this bill.

Mr. Daykin was asked to address the pending lawsuit in Las Vegas and its effect on this bill. Mr. Daykin felt that it would not have any effect on the statutes. There is nothing in the bill that could be considered special legislation. This bill has some technical corrections and will help further the progress of updating the NRS.

Larry Ketzenberger, Metropolitan police department, testified in support of this bill and concurred with comments made by Frank Daykin. The District Attorney in Clark County feels that this bill will eliminate the suggestion that there is special legislation in the metropolitan police department. Mr. Ketzenberger commented that they took two police departments, combined them to form a much more efficient department. Mr. Ketzenberger left his comments for the record. (See Attachment #1)

Frank Daykin noted that there is a conflict with SB-72 and he would resolve the conflict.

Senator Dodge moved "Amend and Do Pass" on SB-576
Seconded by Senator Kosinski
Motion carried unanimously.

The amendment was to resolve the conflict.

AB-145 Reduces age of eligibility of state senators and assemblymen.

Chairman Gibson stated that this bill was erroneously listed on the agenda as the bill is in the Legislative Functions committee.

Minutes of the Nevada State Legislature

Senate Committee on Government Affairs

Date: May 14, 1979

Page: TWO

Senator Ford had prepared some language to replace SJR-1 of the 59th Session. Senator Ford met informally with people from the city and county and the attached language was agreed upon by the entities that had difficulties with SJR-1 in its present form. (See Attachment #2) The Senator noted that this language is a combination of the Utah legislation and the model constitutional classification for the county. As noted there would be two approaches, a classification device and the optional forms approach.

Senator Dodge questioned the language on county government and the type of qualifications that will have a legal connotation, especially with regard to development.

Frank Daykin stated that under the constitution you could have the power to township government by population and you could provide for a relationship between city and county governments. It would call for a simple majority vote of the registered voters in the county. Mr. Daykin suggested deleting "as may be necessary" to tighten up the language and Senator Ford felt that this will take care of the problems that the broader language in SJR-1 of the 59th created.

Bruce Spaulding, Clark County Manager testified in support of the bill.

Ron Jack, City of Las Vegas, stated that they would like an opportunity to review this and get back to the committee with an opinion on the changes as proposed by Senator Ford.

Senator Keith Ashworth asked if the bill is enlarging the township government if the proposed amendments and resolution are passed. Mr. Daykin stated that this will not increase the township governments but the language is necessary in order to provide for the Justice of the Peace and the Constables.

There was no action taken on the bill at this time.

AB-366 Changes scope of certain unlawful acts relating to subdivision of land.

Gene Milligan, Nevada Realtors Association, testified to the committee on this bill. Mr. Milligan stated that they needed to have the ability to sell the land prior to submitting the tentative sub-division map. Mr. Milligan felt that many realtors were not complying with the law in this area and feels that it is not intentional. Mr. Milligan stated that David Hoy felt there might be an amendment necessary so that there won't be any difficulties with regards to financing a proposed subdivision.

Senator Ford felt that the language in brackets on line 31, page 2, making it unlawful to sell, should remain in the bill.

Minutes of the Nevada State Legislature

Senate Committee on Government Affairs

Date: May 14, 1979

Page: Three

Transfer could mean many things. The Senator asked why they couldn't have the right to offer to sell but have no final documents signed until the subdivision has been subdivided.

Senator Dodge stated that the language on line 32, page 2, makes it unlawful to transfer and realtors will be unable to execute any kind of document. It should be amended so they will not have to live under such a restriction and the bill in its present form will not accomplish what the realtors association intends.

Mr. Milligan reiterated that they only wanted to be able to offer to sell and would support any amendments that would accomplish that goal.

The committee discussed the bill and felt that on line 31, page 2 the closing bracket should be after "sell," They also discussed closing the bracket after "offered" on line 42 of page 2. On line 48, page 2 the brackets should be removed from "sold" and placed around "transferred".

Senator Dodge felt that Section 3 should be deleted, it may be a safeguard but it could be difficult for a buyer to comply with.

Senator Ford stated that if they give the opportunity to offer to sell there should also be a notice given that the offer to sell is based upon the tentative subdivision map.

The committee discussed the suggestions proposed by Senator Dodge and considered deleting the language offering to sell in Section 2 as well.

Senator Ashworth suggested placing the brackets around "sell" on line 42 of page 2. Also Line 1, page 3 - remove the brackets. Delete Section 1 and delete Section 3.

Senator Dodge stated that the real estate association should be more supportive of orderly development and this bill will inhibit that type of development.

Senator Echols felt that there is a good deal of merit in this bill and any money received would go into an escrow account. The bill needs language that insures that any money received will go into an escrow account.

Senator Dodge moved "Indefinite Postponement"

Seconded by Senator Keith Ashworth

Motion failed due to lack of a majority vote.

Voting went as follows: Yea's - Senator Dodge and Senator Keith Ashworth - Nay's - Senator Echols and Senator Raggio. Senator Kosinski and Senator Gibson abstained from voting.

Chairman Gibson stated that they would hold the bill until Senator Echols could prepare amending language.

Minutes of the Nevada State Legislature

Senate Committee on Government Affairs

Date: May 14, 1979

Page: Four

AB-816 Reapportions costs and directs further study of certain metropolitan police departments.

Chairman Gibson re-opened testimony on this bill. The bill was first heard on Wednesday, May 9th but due to time constraints testimony was halted at 7:15 p.m. and the opponents were notified that they would have an opportunity to testify on Monday, May 14th.

The Chairman also noted that the committee has agreed to separate the study from the bill and make it a concurrent resolution.

Senator Ford had some comments on the study. The Senator felt that the study will ask for money to complete the financial aspects of conducting such a study as well as the fiscal note involved. The percentage of payment will be addressed. The language in AB-816 regarding such a study should be completely deleted from the bill,

Senator Ford moved to amend out the language regarding a study from AB-816
Seconded by Senator Dodge
Motion carried unanimously.

The amendment included having this language placed in a concurrent resolution.

Senator Ford presented the amending language to SB-545. The Senator stated that these changes solved her problems with the bill and many of the changes were just in re-numbering. In Section 1, page, the substantive changes are made. It will tie the power of the joint advisory board to hazards and would eliminate potential conflicts. Mr. Mandeville had no problems with this amendment. This also clarifies who has the authority to make a zoning recommendation on ordinance changes.

Senator Raggio moved "Amend and Do Pass" on SB-545
Seconded by Senator Keith Ashworth
Motion carried unanimously.

Senator Raggio asked the Chairman to request that the committee reconsider their action on SB-498. Senator Raggio felt that since the bill was rescheduled to be heard on Monday, May 7th and the committee took action on Friday May 4th, they should be allowed another opportunity to be heard.

Senator Raggio moved to Reconsider SB-498
Seconded by Senator Keith Ashworth
Motion did not carry - Motion to reconsider a bill must have five votes in favor if reconsidering a motion.

Senator Dodge was opposed to reconsidering the bill and Chairman Gibson opposed the bill and felt that they received ample opportunity to testify on May 7th.

AB-189 Requires incumbents of certain public offices to provide their elected successors with information pertinent to future administration.

Chairman Gibson stated that this bill comes out of a problem that occurred in Nye County where the Sheriff was not re-elected and the outgoing sheriff left without passing on any information to the newly elected sheriff.

The committee did not feel that there was a need for this legislation and thought that in many cases no information on the job is passed on from one elected official to another.

Senator Echols moved "Indefinitely Postponement" on AB-189.
Seconded by Senator Keith Ashworth
Motion carried unanimously.

AB-426 Extends time for preparation of budget in certain counties and for collection of certain taxes.

Marvin Leavitt, representing the City of Las Vegas, stated that this bill has undergone many amendments since it was first introduced. Mr. Leavitt went over the bill for the committee and made some suggestions for the committee to amend the language. The tax bill speaks to the collection of taxes and this bill can delete such references. Section 5 could be deleted in its entirety for the same reasons.

Senator Dodge asked if there would be any problems with certification of the tax rates. Mr. Leavitt stated that they did not have any testimony from the counties with regard to certification of the tax rate. The department of Taxation has the same period of evaluation of tax rates that they always had. They have no problem with this language. Mr. Leavitt also felt that the time frame was not a problem.

Chairman Gibson stated that there is a conflict on the time frame for employee negotiations, Chapter 288 of the NRS. Mr. Leavitt responded that this could be amended and they would have no objection to such an amendment.

Senator Dodge asked why the counties couldn't get on a current year system. The Senator informed the committee that a year behind was started during the depression and hasn't been changed.

Sam Mamet, Clark County, stated that they submitted a bill that would bring them back to the current year system but it has not come out of the bill drafters office.

Julie Canegliaro, Fire Fighters Association, stated that they agreed that Chapter 288 must be amended or it will conflict with the negotiations.

Minutes of the Nevada State Legislature

Senate Committee on Government Affairs

Date: May 14, 1979

Page: Six

Joyce Woodhouse, Nevada Education Association, concurred with Mr. Canegliaro and Senator Gibson about the amendments to Chapter 288.

The committee discussed the amendments to AB-426. Add language in NRS Chapter 288 to handle the time problems with employee negotiations and delete Sections 3 and 5.

Senator Keith Ashworth moved "Amend and Do Pass" on AB-426
Seconded by Senator Dodge
Motion carried unanimously.

At this point Chairman Gibson referred the committee to AB-816 in order to allow those who opposed the bill time to testify.

AB-816 Reapportions costs and directs further study of certain metropolitan police departments.

Bruce Spaulding, Clark County, testified to the committee that the county prepared a report, 'General Fund Expenditure Reduction as Created by Proposed Expenditure Caps'. Mr. Spaulding turned testimony on this report over to Ardel Kingham, Budget Department with the county. (See Attachment #3)

Ms. Kingham went over attachment #3 and brought the committee's attention to the decrease in the general fund if this bill passes with the current percentage figure on apportionment.

Mr. Spaulding indicated that they must be able to assess at a different rate if they are going to have to fund 56% of the total capital and operating costs of the metropolitan police department.

Senator Dodge asked if the formulas were changed and they were to assume a greater portion of the percentage, could they increase their budget. If this has been taken into consideration, has the county done anything to their budget to offset that \$2.2 million figure in Attachment #3.

Ms. Kingham stated that they must increase their revenues at the same time and this is not reflected in the bill.

Senator Dodge asked if they could levy taxes if they are not already at the maximum.

Mr. Spaulding stated that they were already at the maximum of their ad valorem taxing limit. He indicated that they do not have any latitude at this point since they are at the limit. At this point in his testimony Mr. Spaulding passed out copies of the planned fiscal year in the county, 1979-80 for their portion of the metro payment. (See Attachment #4) Mr. Spaulding went over same for committee.

Mr. Spaulding stated that the budget was projected prior to the caps being established and this makes it more difficult with the increased percentage of their allotted payment for metro services.

Senator Ashworth stated that the case was being built on lesser funds and since the priorities on services of the metro police department have been determined we need to have this study in order to determine the ability of the county and city to pay their fair share of costs. A determination on the percentages allocated to the city and county will be a major concern.

Bob Broadbent, Clark County Commissioner, testified that the county supports metropolitan police out of the \$1.37 from the unincorporated areas and these areas are now being capped. The revenue to support metro police will be increased in these unincorporated areas if the percentage is not changed.

Mr. Spaulding felt that they would have to fund the added services from the unincorporated town fund and supported the comments made by Mr. Broadbent.

Mr. Broadbent further stated that the only other revenues that they can raise in order to pay for the increased costs for metro would be to raise the gaming tax or business taxes.

Mr. Spaulding stated that the 56%-44% figure is arbitrary and asked the committee to reconsider the 50%-50% figure.

Ms. Kingham stated that they do a check periodically on their budget and when the spending caps were released they did check this three million dollar figure and did find that they would be \$1.5 million short. The projected ending fund balance for this year was \$2.36 million and they did not know what the actual figure was.

At this time Ms. Kingham went over page 2 of Attachment #3 reflecting the growth rate of the county services. Ms. Kingham also went over page 3 of Attachment #3 reflecting the differences in percentages if the county had a 53% rate and the city had a 47% rate. She felt that this rate is more equitable. Also went over the crime occurrence rate and showed that it increases more in the city than in the county.

Ms. Kingham was trying to relate crime to growth and population which included the crime from transients.

Mr. Spaulding stated that in summary they have problems with the budget caps and the application for producing the funds. They feel that they will have trouble supporting additional metro costs with the tax rates they now live under. They requested that the committee look at the two year 53%-47% figure or a one year delay at a ratio of 56%-44%. This is so they can get their bookkeeping in order and change their revenues to comply with the cap limits. In the second year they would be able to handle the 56%-44%.

Marvin Leavitt, City of Las Vegas, stated that it was difficult to see an entity put away \$4.8 million for a new jail in one year and \$2.6 million in the next year, plus have savings in excess of \$10 million, and testify to the committee that under this bill they might go bankrupt. At this point Mr. Leavitt handed out copies of proposed amendments to the county economic development bond law. (See Attachment #5) Mr. Leavitt went over same for the committee. Mr. Leavitt concluded by stating that the county could easily absorb the \$2.2 million dollars and live within their spending caps.

Senator Ashworth asked Mr. Leavitt if the results indicated that the percentage was not adequate for the county and city, would the city reimburse the county any monies that are due to the county.

Mr. Leavitt stated that he could not speak for the city commissioners but felt that this would be acceptable to him. One of the city commissioners stated that he felt that it should go back to 1973 if the city feels that they have been paying a disproportionate amount since that time.

Carey Miller, City of Las Vegas, requested the opportunity to make a few comments. This bill provides for an interim solution to what we feel is a special problem. The city feels that a formula and procedure must be adopted to handle these funding problems. Mr. Miller stated that the percentage rates are not arbitrary. These figures had been taken from N.R.S. 280. They were computed by geographic areas and police services according to NRS 280. The city feels that the geographic area is important in taking into account the amount of man hours th complete calls for the unincorporated areas.

Senator Raggio asked why there isn't a compromise percentage between the city and county.

Mr. Miller felt that this was an equitable distribution between the city and county on the services provided by metro police. Mr. Miller stated that the actual figures were higher that the 56%-44%. Mr. Miller again stated that he used NRS 280 to determine the schedule. It is specified in the statutes and is better than nothing for a beginning study.

Senator Dodge stated that he was interested in processing the bill and felt that the suggestion by Mr. Spaulding to give the county one year and then go to the 56%-44% had merit.

Senator Askworth suggested that the committee consider starting the system with a compromise of 55-1/2% and 44-1/2% and make this retro-active to July 1st. The subcommittee would have to make a determination and all facts would be considered prior to this determination.

Senator Dodge made a motion to amend the bill with the 56%-44% figure and the motion died due to lack of a second on the motion. Senator then made a motion to go to 53%-47% for the two year period. The motion died on a tie vote.

Minutes of the Nevada State Legislature

Senate Committee on Government Affairs

Date: May 14, 1979

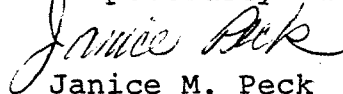
Page: Nine

Senator Raggio felt that the committee should come up with a percentage figure for the interim study committee to work with.

The committee discussed the bill and since there was not a concensus of opinion on what the percentage figure should be they did not take any action.

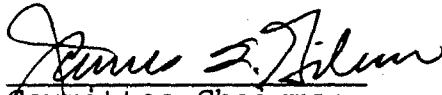
With no further business the meeting was adjourned at 5:05 p.m.

Respectfully submitted,



Janice M. Peck
Committee Secretary

Approved:



Committee Chairman
Senator James I. Gibson

Comments from Larry Ketzenberger on S.B. 576

The Metropolitan Police Department supports and encourages the legislature to pass S.B. 576.

While there has been no ~~total~~^{Court} determination to date of the alleged technical deficiencies of the language of NRS 280, a city attorney's opinion in Las Vegas suggested that the present language of the statute could be construed as special legislation.

Having sat as a member of the committee which put together the metropolitan police act, I can assure you that our intent was to develop a statute of general applicability. ~~When~~^{the} committee generally felt that in our particular case we had completed sufficient study and work on the consolidation of police agencies that we would be able to implement the consolidation of the Clark County Sheriff's Department and the Las Vegas Police Department almost immediately if enabling legislation were passed, thus the reference to July 1, 1973 in the statute.

We wanted the employees to be assured of civil service rules they were familiar with and since we felt that development of new rules would be time consuming, we incorporated the reference to the civil service rules of the largest police department as they were modified by the consolidation subcommittee.

NRS 280 was drafted by the committee at the direction of, and with the encouragement and concurrence of, the Las Vegas City Commission and the Clark County Commission. The chairman of the consolidation committee was the Assistant City Manager for the City of Las Vegas; later serving as the city's lobbyist who helped pass NRS 280 in its present form. Now, over four years

after the consolidation of the two law enforcement agencies, the City of Las Vegas, has, in my opinion, encouraged a taxpayer to file suit against the metropolitan police act in an effort, again in my opinion, to obtain control of the police department.

It is our belief that where a question has been raised on the construction of the statutory language of NRS 280, the legislature should amend, ^{the}~~as a~~ statute, to correct any possible technical problems and we hope that you will see fit to do so.

PROPOSED CONSTITUTIONAL AMENDMENT
TO REPLACE S.J.R. 1 OF THE 59TH SESSION

Intent

The intent of the proposal is to provide extra flexibility in dealing with the problems of vastly different counties without at the same time endangering basic constitutional protections that local governments now enjoy. The proposal is for two approaches to be allowed in the constitution; one the classification device and the other the optional forms approach. Counties could thereby be classified and the classes treated differently by general law. In addition, the provision would also allow for the legislature to provide for optional forms of county government which could be chosen by the voters of a county. The prohibition on special acts affecting county or township business would remain so that the legislature still could not single out a county for special treatment.

Suggested language to accomplish this intent is as follows:

Article 4, Section 25

The Legislature shall establish a system of County and Township Government which [shall be uniform throughout the state.] may include classification of counties as may be necessary on the basis of population or or any other reasonable basis related to the purpose of the classification. Such system may also include optional forms of county government which may be adopted or abandoned by a majority vote of the qualified voters voting thereon in a manner provided by law.

S. J. Ryan
Suggested
this deletion

GENERAL FUND EXPENDITURE REDUCTION
AS CREATED BY PROPOSED EXPENDITURE CAPS

	<u>78/79</u> <u>Budgeted</u>	<u>79/80</u> <u>Cap</u>	<u>79/80</u> <u>Final</u>	<u>Increase</u> <u>Decrease</u>
General Fund	\$61,273,389	\$68,973,498	\$72,011,429	(\$3,037,931)
Road Fund	\$ 3,460,258	\$ 3,895,102	\$ 3,396,907	\$498,195
Indigent Fund	\$ 4,745,623	\$ 5,341,996	\$ 8,846,034	(\$3,504,038)
Cooperative Extension	\$285,610	\$321,502	\$356,157	(\$34,655)
Health District	\$ 4,753,905	\$5,351,319	\$5,223,395	\$127,924
Fire Dept.	\$ 8,511,825	\$9,581,490	\$9,720,406	(\$138,916)
			<u>Total Fund Decrease</u>	<u>(\$6,089,421)</u>

Disposition of Decrease

<u>General Fund</u>	(\$3,037,931)
Decrease in Opening Fund Balance	<u>1,500,000</u>
Net Decrease - General Fund	(\$1,537,931)
<u>Indigent Fund</u>	(\$3,504,038)
Decrease in Revenue Collection, 11¢	<u>3,220,042</u>
Net Decrease - Indigent	(\$283,996)

The revenues attributable to the decrease in expenditures may not be transferred to any other fund because of the restricted nature of such revenue.

Cooperative Extension:

Revenue attributable to the decrease in expenditures may not be transferred to any other fund because of the restricted nature of such revenue.

Fire Department:

Supported by urban towns and airport, the revenues from which are directly related to services rendered, revenue attributable to the decrease in expenditures may not be transferred to any other fund.

SUMMARY

General Fund Roll Back	\$1,537,931
Additional funding required for 56/44 Metro split	<u>2,228,885</u>
Anticipated Deficiency in General Fund Revenue	\$3,766,816

Ability to Pay

The statement was made that the County's ability to pay is predicated on the 177% growth in County budget and a 56% growth in population since 1973.

Growth of revenue sources is only one side of a two sided issue. The growth in expenditures has to be examined as well. As population grows, so does the demand for services and it has been shown that the demand for services grows at an increasingly faster rate than population.

Second, there are a great deal of regional services which must be tendered by counties and are not necessarily obligations of cities.

The following table provides a sample of certain regional services unique to the county and their growth rate since 1973.

Growth of County Services

<u>Service</u>	<u>Growth Rate</u>
Assessor	120%
Clerk	125%
Judicial	235%
Institutional Youth Services	142%
Parks and Recreation	209%
Public Works	120%

Spending Authority

Under proposed expenditure cap language, it may be possible to raise the County expenditure level to accommodate an increased obligation to the Metro funding. This does not address the necessity to find funding for this increased spending capacity.

Currently, the general fund will be forced to reduce its expenditure ceiling by approximately six million dollars. Four-and-one-half million is unavailable for alternate uses. The remaining 1.5 million roll back represents the increased gaming tax revenue required to fund Metro at the existing 50/50 formula. With the additional burden of 2.3 million required at the 56/44 level, a revenue deficiency of 3.8 million can be anticipated.

The following points were raised in an effort to identify available monies to fund this 3.8 million:

1. Jail Construction Fund - 7.4 million. Recognizing the inevitability of constructing a new jail and the extreme uncertainty of available funding sources, monies are being set aside in capital construction for building purposes only.
2. Automotive - 1.1 million. Monies for the replacement of both county and Metro vehicular equipment.

Per Capita Cost

1979

	<u>Population</u>	<u>50/50 Funding Per Capita</u>	<u>53/47 Funding Per Capita</u>	<u>56/44 Funding Per Capita</u>
City	169,000	\$109.91 (12%)	\$ 96.72	\$ 82.97
County	<u>190,000</u>	<u>97.76</u>	<u>109.49 (13%)</u>	<u>103.62 (25%)</u>
	359,000	\$ 12.15	\$ 12.77	\$ 20.65

1979

Population Rate

City	169,000	(103,477)	=	\$17,487,613	47.1%
County	190,000	(103,477)	=	<u>19,660,630</u>	52.9%
				\$37,148,243	

DISPATCHED SERVICE CALLS FORMULA

		<u>CITY</u>	<u>COUNTY</u>
4X	Dispatched Calls	53.4	46.6
3X	Part I Crimes	48.5	51.5
2X	Population	45.1	54.9
1X	Hotel-Motel	<u>24.9</u>	<u>75.1</u>
	Total	474.2	525.8
	Percentage	47.4	52.6

VIOLATIONS ONLY

Crime Occurrence

(Before elimination of Highway Patrol)

	<u>City</u>	<u>County</u>
5 Part I Crimes	48.5%	51.5%
4 Total Incidents	47.6%	52.4%
3 Traffic Citations	56.0%	44.0%
2 Moving Violations	59.0%	41.0%
1 Dispatched Calls	53.4%	46.6%
	<hr/>	<hr/>
Total	772.3%	727.7%
Percentage	51.5%	48.5%

Crime Occurrence

(After elimination of Highway Patrol)

5 Part I Crimes	53.4%	46.6%
4 Total Incidents	47.6%	52.4%
3 Traffic Citations	50.0%	50.0%
2 Moving Violations	50.0%	50.0%
1 Dispatched Calls	53.4%	46.6%
	<hr/>	<hr/>
Total	760.8%	739.2%
Percentage	50.72%	49.28%

Crime Occurrence

(after elimination of Highway Patrol)

	<u>City</u>	<u>County</u>
5 Dispatched Calls	53.4%	46.6%
4 Part I Crimes	48.5%	51.5%
3 Population	45.1%	54.9%
2 Hotel/Motel Rooms	24.9%	75.1%
1 Traffic/Moving Violations	50.0%	50.0%
	<hr/>	<hr/>
Total	696.1%	803.9%
Percentage	46.4%	53.6%

Resource Utilization

	<u>City</u>	<u>County</u>
5 Manpower Deployment	49.0%	51.0%
4 Equipment Utilization	39.3%	60.7%
3 Dispatched Calls	53.4%	46.6%
2 Part I Crimes	48.5%	51.5%
1 Population	45.1%	54.9%
	<hr/>	<hr/>
Total	704.5%	795.5%
Percentage	46.97%	53.03%

Planned Fiscal Year 1979-1980 County Metro Payment

Unincorporated Town Property Taxes	\$ 9,848,300
" " Gaming Taxes (includes \$1.8 million new tax)	4,360,000
" " Liquor Taxes	485,000
" " Business License Taxes	2,106,700
" " Room Taxes	981,000
General Revenue Sharing	500,000
1¢ of \$1.13 rate for rural sheriff's services	<u>293,000</u>
	\$18,574,000

CLARK COUNTY PROPERTY TAX UTILIZATION (1979-1980)

<u>Rate</u>	<u>Amount</u>	<u>Where Collected</u>	<u>Purpose of Rate</u>	<u>Examples of Services Provided</u>
\$1.13	\$33,074,467	County-wide, including within the Cities of North Las Vegas, Las Vegas, Henderson & Boulder City	To support regional services provided <u>equally</u> to all citizens of Clark County	District Courts, Health District, District Attorney, Juvenile Services, Assessor, Recorder, Clerk
\$1.34	\$18,405,647	<u>Only</u> in the county's unincorporated towns, i.e., Paradise Valley, Winchester, East Las Vegas, Searchlight, Mesquite	To support urban services provided to the towns	Fire and Police Protection Parks & Recreation Town Board Activities Street Lighting & Sweeping

PROPOSED AMENDMENTS TO THE COUNTY
ECONOMIC DEVELOPMENT BOND LAW

Explanation - Matter underlined is new,
matter in brackets [] is material to be omitted.

Section 1. NRS 244.91947 is hereby amended to read as follows:

244.91947 "Finance," "financing" defined.
"Finance" or "financing" includes the issue of bonds by a county for the purpose of using substantially all of the proceeds to pay (or to reimburse the obligor or its designee) for the costs of acquiring, improving and equipping a project, whether these costs are incurred by the county, the obligor or a designee of the obligor, or, in connection with a project which constitutes a project under Title X of the National Housing Act, includes the issue of bonds (i) to pay either directly or through an agent which is a qualified mortgagee under Title X of the National Housing Act (or to reimburse the obligor or its designee for or to refinance), (ii) to loan the proceeds of the bonds to a qualified mortgagee under Title X of the National Housing Act for the purpose of such mortgagee making a loan insured under Title X of the National Housing Act to a qualified mortgagor to pay, or (iii) to acquire any mortgage insured by the Federal Housing Administration pursuant to Title X of the National Housing Act, or any participation or interest therein the proceeds of which were used to pay, the costs of acquiring, improving a project, whether such costs are incurred by the county, the obligor, the qualified mortgagor or a designee of any such party; provided, however, that any such bonds issued for the purposes in (i), (ii) or (iii) above shall be secured by an assignment or pledge of, or other security interest in, the mortgage insured pursuant to Title X of the National Housing Act or all rights to receive payments and remedies thereunder, and, provided, further, however, that the principal amount of such insured mortgage shall be not less than the aggregate principal amount of the bonds to be secured by such mortgage, less the amount of any reserve fund established

with respect to such bonds. Title to or in such project may at all times remain in the obligor or the obligor's designee or assignee or a qualified mortgagor in the case of a project constituting a project under Title X of the National Housing Act and, in such case, the bonds of the county shall be secured by a pledge of one or more notes, debentures, bonds or other secured or unsecured debt obligations of the obligor.

Section 2. NRS 244.91955 is hereby amended to read as follows:

244.91955 "Obligor" defined. "Obligor" means the individual, partnership, firm, company, corporation (including a public utility), association, trust, estate, political subdivision, state agency or any other legal entity, or its legal representative, agent or assigns, who agrees to make the payments required by the financing agreement, including, without limitation, a qualified mortgagee or a qualified mortgagor under Title X of the National Housing Act with respect to an insured mortgage loan under Title X of the National Housing Act in connection with which bonds will be issued.

Section 3. NRS 244.9196 is hereby amended to read as follows:

244.9196 "Project" means:

1. Any land, building or other improvement and all real and personal properties necessary in connection therewith, whether or not in existence, suitable for manufacturing, industrial, warehousing or research and development enterprises.

2. Any land, building, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment, or any combination thereof or any interest therein, used by any [individual] natural person, partnership, firm, company, corporation (including a public utility), association, trust, estate, political subdivision, state agency or any other legal entity, or its legal representative, agent or assigns:

(a) For the reduction, abatement or prevention of pollution or for the removal or treatment of any substance in a processed material which otherwise would cause pollution when [such] the material is used.

(b) In connection with the furnishing of water if available on reasonable demand to members of the general public.

(c) In connection with furnishing of energy or gas.

(d) For the development of land for residential, commercial, recreational, educational, cultural and other uses, including use as open space, pursuant to a comprehensive area development plan, which development constitutes a project as defined under Title X of the National Housing Act, including but not limited to:

- (1) Water lines and water supply installations;
- (2) Steam, gas and electrical lines and installations;
- (3) Roads, streets, curbs, gutters and sidewalks; and
- (4) Storm drainage facilities.

3. Any undertaking by a public utility, in addition to that allowed by subsection 2, which is solely for the purpose of making capital improvements to the property [, whether or not in existence, of a public utility.] of the utility, whether or not those improvements are in existence.

Section 4. NRS 244.91965 is hereby amended to read as follows:

244.91965 "Revenues" defined. "Revenues" of a project, or derived from a project, include payments under a lease, agreement of sale or financing agreement, or under notes, debentures, bonds and other secured or unsecured debt obligations of an obligor executed and delivered by the obligor to the county or the county's designee or

assignee (including a trustee) pursuant to such lease, agreement of sale or financing agreement or payments under mortgages insured under Title X of the National Housing Act or any participation or interest therein or pledge of income therefrom.

Section 5. NRS 244.9197 is hereby amended to read as follows:

244.9197 Declaration of purpose.

1. It is the intent of the legislature to authorize counties to finance, acquire, own, lease, improve and dispose of properties to the end that such counties may be able to promote industry and develop trade by inducing manufacturing, industrial, warehousing and research and development enterprises to locate in, remain or expand in this state, and to promote the development of land, which development constitutes a project as defined under Title X of the National Housing Act, for residential, commercial, recreational, educational, cultural and other uses, including use as open space, pursuant to a comprehensive development plan, all in order to assist in relieving the serious threat of extensive unemployment in parts of this state, in securing and maintaining a balanced and stable economy in all parts of this state and in furthering the use of its land, agricultural products and natural resources. It is, therefore, the intention of the legislature to vest such counties with all powers that may be necessary to enable them to accomplish such purposes, which powers shall in all respects be exercised for the benefit of the inhabitants of this state for the promotion of their safety, welfare, convenience and prosperity.

2. It is also the intent of the legislature to authorize counties to finance, acquire, own, lease or sell projects or interests therein for the purpose of:

(a) Reducing, abating or preventing pollution, or removing or treating any substance in processed material which otherwise would cause pollution when such material is used, to protect and promote

the health, welfare and safety of the citizens of this state and to retain and promote private industry and commerce with the resultant higher level of employment and economic activity and stability.

(b) Promoting the furnishing of energy and gas, and of water if available on reasonable demand to members of the general public in order to protect and promote the health, welfare and safety of the citizens of this state and to retain and promote private industry and commerce with the resultant higher level of employment and economic activity and stability.

3. It is not intended hereby that any county shall itself be authorized to operate any such manufacturing, industrial, warehousing or research and development enterprise.

4. No county may by virtue of NRS 244.9191 to 244.9219, inclusive, assist any manufacturing, industrial, warehousing or research and development enterprise to locate in the county which would offer substantial competition to an existing enterprise within the county whose intrastate markets are substantially the same.

5. NRS 244.9191 to 244.9219, inclusive, shall be liberally construed in conformity with this declaration of purpose.

Section 6. NRS 244.920 is hereby amended to read as follows:

244.920 Determinations required of board of county commissioners after public hearing.

1. After holding a public hearing or hearings, as provided in NRS 244.9199, the board of county commissioners shall proceed no further unless or until by resolution it:

(a) Determines the total amount of money necessary to be provided by the county for the acquisition, improvement and equipment of the project;

(b) Receives a 5-year operating history from the contemplated lessee, purchaser or other obligor, or from a parent or other enterprise which guarantees principal and interest payments on any bonds issued; and

(c) Determines that the contemplated lessee, purchaser or other obligor has sufficient financial resources to place the project in operation and to continue its operation, meeting the obligations of the lease, purchase contract or financing agreement.

2. The board may refuse to proceed with any project even if all the criteria of subsection 1 are satisfied. If the board desires to proceed with any project where any criterion of subsection 1 is not satisfied, it may do so only with the approval of the state board of finance. In requesting such approval, the board of county commissioners shall transmit to the state board of finance all evidence received pursuant to subsection 1.

3. If any part of the project or improvements is to be constructed by a lessee or a lessee's designee or a purchaser or a purchaser's designee or an obligor or an obligor's designee, the board shall provide, or determine that there are provided, sufficient safeguards to assure that all money provided by the county will be expended solely for the purposes of the project.

4. Prior to the issuance of the bonds, the board shall receive evidence that [the contemplated lessee or purchaser, or other enterprise which guarantees principal and interest payments, has] the bonds to be issued have received, within the 12 months preceding the issuance of the bonds, or will receive upon issuance, a rating within one of the top four rating categories of either Moody's Investor Service, Inc., or Standard and Poor's Corporation, or, in the event that neither such firm is in existence or rating bonds of the type proposed to be issued, then from such nationally recognized rating firm acceptable to the board, except that a public utility regulated by the public service commission of Nevada is not required to furnish such evidence.

