

MEMBERS PRESENT: Chairman Dini  
Vice Chairman Schofield  
Assemblyman DuBois  
Assemblyman Nicholas  
Assemblyman Polish  
Assemblyman Redelsperger

MEMBERS EXCUSED: Assemblyman Craddock  
Assemblyman Jeffrey  
Assemblyman May  
Assemblyman Mello  
Assemblyman Prengaman

Chairman Dini called the meeting to order at 8:17 A.M.

Mr. Dini indicated that the committee would hear testimony on AB 468.

Mr. Al McNitt, Administrator for the Nevada Housing Division testified first in favor of the bill.

Mr. McNitt stated that this particular bill, which is a bill we requested, has two additions to two amendments to the Nevada Housing Finance Law on NRS 319.

The first in Section 1 adds a new section which reads as follows:

"Any person who normally makes or causes to be made either directly or indirectly or through any agency whatsoever any false statement in writing concerning a loan applicant's income, employment, financial position, the size of his family his intent to occupy the mortgaged premises as his primary residence or the cost of the mortgaged residence with the intent that the statement be relied upon for the purpose of obtaining a loan from the division as a gross misdemeanor."

We are requesting this even though in some respects this parallels existing state law under the statutes with regard to the fraudulent applications for loans to obtain credit. We have had a few difficulties wherein we have had on more than one occasion a loan application which we would consider after facts have been in to have a high degree of having a probability of having a fraud involved. Upon occasion we have turned these over to the district attorneys and have failed to ever get any action.

We believe and hope that some provision like this will further reinforce what the intent of the legislature is as a matter of policy, that a social purpose program such as the Nevada Housing Finance Law is not one to be abused and where there is a gross abuse the abuse should have some further action.

To assist ourselves in remedying some of these we are now seeking rescission of such a loan on civil grounds and trying to find other

methods of resolution where we have a loan which probably should not be a loan under our statute. Fortunately we do not have many of these. Secondly, we are requesting an increase in our statutory authority which currently is \$500,000,000 by an additional sum of \$150,000,000 for a new total of \$650,000,000.

Our current outstanding bond indebtedness is \$267,000,000. We as many of you know, announced back in January that we had suspended our single family programs which have been the large users dollars of our statutory authority. Notwithstanding where we are with Congress, we do believe that there is a better than 50/50 chance we will find some way this calendar year to resume single family loan programs. If that is the case and if we have not changed our statutory authority before the next session of the legislature, there is a high degree of probability we will have consumed our statutory authority. Of the current \$500,000,000 \$100,000,000 is reserved for a special veterans program here in this state. We have already planned in the past and intend to continue in the future that our next program would include that veterans program. That \$100,000,000 is specifically set aside will be a relatively slow-moving program because of its requirements. Therefore we have to assume that our statutory authority is \$400,000,000 from a practical standpoint for the balance of the program.

Last year we issued \$95,000,000 in single family bonds. We normally anticipate that we will continue unimpaired by the federal government at a rate somewhere between \$75,000,000 to \$100,000,000.

If we take our 267 where we are now and we have on the books ready to go with some multi-family bonds right now with about \$20,000,000 more in projects pending and under discussion that alone with multi-family would take us up to \$300,000,000 and that would only leave us \$100,000,000 to continue both multi-family and single family between now and the next legislative session. This would be a difficulty for us. We would not be able to function as we have been directed to function in the past. Therefore we are requesting an increase of just \$150,000,000 that should comfortably get us through until the next legislative session when we could review again any changes in statutory authority as far as the amount of bonds outstanding.

Mr. Dini asked if there were any questions of Mr. McNitt.

Mr. DuBois asked where this money came from.

Mr. McNitt asked if Mr. DuBois meant when they sold bonds?

Mr. DuBois stated yes.

Mr. McNitt stated that they sell bonds in the general bond market and most of the money comes from out of state. Much of it comes from the East Coast. We import the capital. That was the purpose to import capital to use it for mortgage purposes here in the state, and as a state, we are growing faster than we can generate new capital inside the state.

Mr. DuBois stated that it was snapped up pretty fast.

Mr. McNitt stated that it goes relatively fast, especially in high interest rate markets.

Mr. DuBois asked what the problem would be if we put that up to 1 billion.

Mr. McNitt stated that they did not need it. There is only a practical limit of how fast you can put it out. Secondly, if one was to look at the marketplace and our statutory limits, an eligible family under our statute is a person who cannot compete successfully in the normal private housing market so we don't compete head in head with the private sector trying to make loans. Right now we have interest rates of 15% on single family loans while one could say that the market has greatly narrowed as far as who can compete successfully for loans. Traditionally this program has been oriented more to those who cannot compete. We don't need that kind of volume. For example, in 1979 there were roughly 2 billion dollars in real estate turned over in Clark County. If you represent that that is at least half of the state, we are probably somewhere between 3 to 3-1/2 billion dollars in total turnover of real estate in that calendar year. That year we did roughly 3% of the total of the state. That was probably saturating the marketplace for the people who could qualify per the state statute. If you were to increase it to 1 billion dollars and try to rapidly use that we would have to change our eligibility rules as well, statutorily. At this point if we don't change the statutory eligibility rules, we don't need 1 billion dollars and I wouldn't request that from the legislature at this time. If you wanted to give it to us, it would be there and it would just take us a number of years to use it.

Mr. DuBois stated that he was just exploring it. Mr. DuBois further stated that his experience with developers in Clark County was that they complained about not having enough money. There are many more applicants than possible loans.

Mr. McNitt stated that we have the other side of the coin. We put out invitations to lenders.

Mr. DuBois stated that Mr. McNitt was talking about going from 14 or 15% down to about 9%.

Mr. McNitt stated that it would be higher than that today.

Mr. DuBois stated that if it was 10% it would save on the monthly mortgage probably \$100.00.

Mr. McNitt stated that he would say at least that much.

Mr. DuBois stated that the demand was tremendous.

Mr. McNitt stated that they had a problem.

Mr. DuBois asked if they had cut off just single family or multi-family as well.

Mr. McNitt stated that they have not cut off multi-family although they have impaired technically with an additional rule. We have found a way to work with that. We have been working for well over a year pursuant to that same rule successfully, but it is just the owner's attitude that they can try to regulate that part of municipal finance which greatly troubles us to begin with as a philosophy.

Mr. DuBois asked if they had any limitation in single family which is where most of the demand is.

Mr. McNitt stated that in addition to that on multi-family we are putting in a new program which will be private mortgage insured rather than FHA insured. We can do this according to our statute since we have informally announced this to the developers. The developers are coming out of the woodwork with projects. A lot of developers don't wish to do an FHA insured project. It is a lot of work and is a very expensive proposition and the costs are higher. The rents end up being higher. With this program we hope to deliver lower cost projects and therefore lower rents, which more easily meets our statutory purpose.

Mr. DuBois stated that it was a good program and that he would like to see it expand to the hilt.

Mr. McNitt stated that they were trying.

Mr. Polish asked what priorities were assigned to this if the word got out and there was a rash of these applications.

Mr. McNitt asked if he was talking about single family or multi-family.

Mr. Polish stated multi-family.

Mr. McNitt stated that they do according to what the marketplace can bear. We don't finance housing if it is an already saturated housing market for multi-family units in that marketplace. It is like a normal lender. Is the project going to be financially feasible in that marketplace. Is there a market need. If there is no market need, obviously we would not make any effort to try to fill it. It would be a bad loan.

There was no further testimony on AB 468.

Mr. Dini indicated that Assemblymen Chaney and Bennett are not here on AB 470.

Mr. John Madole, representing the Associated General Contractors testified in opposition to AB 470.

Mr. Madole stated that the bill although they support the concept of making more and plenty of work available for minorities, we don't think that this bill is the right way to accomplish it. To begin with it will increase cost of construction. This has been demonstrated in the past and you have some language in here on lines 11 and 12 which talks about a sufficient number of qualified applicants being available. I can tell you from past experience that it becomes very difficult to determine how far do you have to go. Do you have to go clear to New Jersey to get people to bid on a \$10,000 job? Someone would have to define this and I suggest to you that even when it is defined it still wouldn't be clarified entirely. Our main objection is the fact that once you start tampering with the competitive bidding system, the taxpayers are no longer protected. Someone will protest someone else's bid and claim that they had a lower percentage and minority contractors were available, that they did not solicit and you will really have a can of worms. This bill, as I read it, would require general contractors to use minority subs regardless of price and in 1977 when the federal government had the local public works act they had some language in similar to this and I am aware of several situations. One that comes to mind is out in a remote area - a highway type contractor was bidding on a job and required to come up with this 10% figure and on some electrical work he received a bid of \$30,000 from a non-minority contractor and the price was about \$70,000 from a minority contractor. I suggest that the taxpayer loses in this situation.

We have another bill which is coming in which would encourage more work to be put out to bid which is done by government agencies right now, and we believe that's really where the minority contractors are losing. A lot of small, \$5,000, \$10,000, \$20,000 jobs that used to be put out with a small contractor getting started to perform are now being done by the county road departments and some of the cities, even the State Department of Transportation, so we really think that is the way to attack the problem and for that reason we are opposed to this bill.

Mr. DuBois asked if you would have to live within the state to be among the 10%. You could be an out of state contractor.

Mr. Madole stated that the way he reads it, yes. That seems to be the way this bill was written but that is my own interpretation.

Mr. DuBois stated if that were true did Mr. Madole think that this would force quite a bit of work?

Mr. Madole stated that he was sure that it would encourage anyone within the state who wanted to qualify for that bid to get the minority contractors wherever they came from.

Mr. Madole stated that one other problem that has occurred is someone who has been in business for 20 or 30 or 40 years may qualify as a minority under this statute because perhaps they

are an American Indian or something or a Negro or Spanish speaking and this bill would help those people which I don't really think is the purpose of the bill.

As I understand, it is kind of a social intent here but if you have someone that has been in business for 30 or 40 years I don't think you want to give them an opportunity to capture part of the market.

Mr. DuBois asked if this was similar to the federal laws?

Mr. Madole stated yes there are a lot of similarities, but the Federal Department of Transportation has just recently withdrawn their proposal to use minority similar to what this does, after a court challenge.

Mr. Schofield stated that many of the projects in Las Vegas are required to try and bring in minority businesses. On three particular occasions we could not get even out of state minorities to be able to come in. There are not enough of them. I think that this would create quite a problem.

Mr. Madole stated that when you get a situation where the general is trying so hard to get this guy to come in and bid the job that the guy really doesn't want the work you then create another problem. You have someone that really doesn't want to come in and he is going to at least inflate the price because he doesn't want to be there in the first place, and here again we get back to the taxpayer as the guy that gets stuck in the end.

Mr. Richard Baker, Deputy Manager of the State Public Works Board testified next. He stated that they would like to oppose this bill also, principally on the grounds of the additional cost involved. There was a general accounting office report made on the local public works program in 1977 that indicated that the projects cost approximately 9% more than similar projects without the minority requirements. We had a project in our office in that time, building a housing unit for the women's prison and that project came in just at the upper limit of our funding capabilities. We only had one bid from a general contractor. That general contractor did have the 10% minority requirement in the bid, but during the course of construction one of those subcontractors of material supplies was found to be inelligible and as a result we ended up with only about 8% at the end of the project. The federal government accepted the difference but there was difficulty in getting minority contractors at that time and I would anticipate they would be similarly difficult now with the additional costs involved.

Mr. DuBois asked if this would kind of open the door for a non-minority group to come in and have the minority act as a front.

Mr. Baker stated yes, that is true. That is one of the other conclusions that the general accounting office found.

Mr. DuBois asked if this in fact happened.

Mr. Baker stated not that he was aware of.

Mr. Joe Cathcart, representing the City of North Las Vegas testified next. He also stated that he was representing the local government purchasing study commission set up by the statute in NRS 320 and we do oppose this bill. Also I reiterate what has happened. We have worked in federal contracts which is mandatory and it has raised the prices roughly 10%. We had NEDCO which is working very closely with minorities in Southern Nevada and also the new minority business association has just started and they put out a book of the qualified contractors and they are working very strongly.

Testimony on AB 470 was concluded.

Mr. Dini indicated that the next bill to be heard would be SB 4.

Mr. Mike Bourn representing White Pine County testified next. SB 4 is a committee bill of the Senate Committee on Government Affairs that was considered by the committee at the request of White Pine County. The bill basically does two things. One thing which we had originally requested and one thing which someone else had requested which the committee felt should be in the bill.

The first thing that it does is it allows a county or a city to be able to develop an industrial park or an industrial district in the absence of a private developer who can carry out such a program. It enables then, after developing a plan and showing the cash flow projections and being sure that it is a sound fiscal proposition and approved at a public hearing in that fashion and it allows the county or the city to sell that land on basically what I would call a discretionary basis, subject to a public hearing for each sale. Also to grant options on it. This means that a specific price would be established and rather than going to a bid procedure, one would evaluate a company that wanted to locate on the property and get an evaluation there where they would create the desirable number of jobs and tax base and the land would be sold within that prevailing price. That price would not be less than the appraised value of the land. This is the basic provision that we were concerned about. We don't see a problem right now with competitive bidding appearing on the property by a speculator but we do see that kind of problem perhaps arising in the future as we are more successful in our economic program and the idea of the county developing the industrial park was to create jobs and tax base and not to get into the development business and not to be competing with private land owners who do have land for sale with speculators or people who want to hold the land.

The second provision that is in the bill that the Committee on Government Affairs in the Senate added to it is a provision over in

Section 4 on page 3. It says Chapter 277 of NRS is hereby amended. A governing body of a public subdivision may convey real property to another political subdivision without charge if the property is to be used for a public purpose.

I think there was a problem in one of the larger counties where some grant funds were received for a new library facility from the Fleischmann Fund and there was a need for one political entity and I can't remember whether it was the city or the county to be able to transfer to the other political entity a piece of land whereon this new library facility could be built and there was no way to do that under the law. So this was added in here to make that kind of thing possible.

Mr. Dini stated that he did not see why we had to pass this kind of legislation at this time. I don't quite understand what the problem is in White Pine County where the private developers won't develop the industrial park. I just don't see where the need is coming from. In Fernley and in Silver Springs we have people who want to develop the park. In Yerington we have the Pizen Switch Development Company which is developing an industrial park.

Mr. Bourn stated that he guessed there were two or three reasons. Number 1 the industrial park is under development. It isn't necessary to have this law in order for a city or county to enter into such development. We develop the industrial park, or began developing it about two years ago at a time when people were reluctant to invest any money in White Pine County. This was very shortly after Kennicott had closed down the mining operation and we began developing it because we had no industrial sites, none whatsoever. Even today, I do not see any developers prepared to go ahead and do any development for industrial purposes. There are developers there who are getting going on housing and on commercial but not on industrial. We are also a much more remote location than the other communities you mentioned. A community that is closer to a larger metropolitan area than we are is in a position where they can expect a private developer can expect over a long period of time once economic development gets going for that land to continue to be absorbed at some constant rate. In a remote area like ours you can have that land be absorbed in fits and starts. Things can go well in terms of land absorption for two or three years and then they can slow down because you are not close to a major metropolitan area which serves as kind of a generator.

Mr. Bourn stated that their main problem, to speak more directly to your question, was we felt we needed the ability to sell the land directly upon examination of the person who wanted to make the purchase so that we could be certain that someone was purchasing that land who had the financial capacity to go ahead and build a facility and would actually be creating jobs and tax base.

Mr. Redelsperger asked if it was his understanding that White Pine County has helped the commissioners build the industrial park with improvements in it but that you really haven't had any



takers as far as the -

Mr. Bourn stated that they had three sites that have been sold and we have sold it through the ordinary public bid process which you go through right now. No one has bid against them because presently the prices charged for that property because of the improvements that are planned to go in there is about what somebody could buy a piece of property for if they wanted to speculate.

Mr. Redelsperger stated then that they had built the parks and they are selling the land in these parks.

Mr. Bourn stated it was one park. It is a 200 acre parcel of land which already belongs to the county which was taken for taxes back in 1932 and it just happened to be an ideal location. We are extending sewer and water lines right now to the park and we will be later this summer doing some street and sewer and water improvements inside the park. We have the power and so does every county and city have the power to engage in that kind of thing right now.

Mr. Redelsperger stated that county funds was what you were building the improvements with.

Mr. Bourn stated no they did not do it with county funds. What you do is by financing on a special obligation basis. In other words we have to be able to demonstrate that there is a reasonable assurance to a lending institution that the land absorption rate looks like it will be sufficient to retire that debt as a special obligation in the county which means the county's funds cannot be used to retire that debt.

Mr. Nicholas asked how about the interest.

Mr. Bourn stated that the interest was limited right now to 9% on that. The interest is paid from the proceeds and sales of land in the industrial park - the interest and principal.

Mr. Polish stated that he just wanted to substantiate what Mr. Bourn was saying that they do have a special problem in White Pine County. This would help us out.

Mr. DuBois stated that what was being said then was that they would establish a base price either at or above the regular price, then the county commissioners would select the buyers.

Mr. Bourn stated that that was not necessarily true. The problem that you run into as a practical matter, in an economic development program you are dealing with perspective companies and they may be from another state, they may be from within the state who want to expand and are maybe looking at your area as a place to expand. This kind of a development is attractive to them because it provides them with a readily available site served by utilities. Secondly the only place that you really have a problem in a competitive bidding

process and this is a future consideration is that you are working with an industrial prospect and they have who you are working with and determined that they will locate and will build a facility of some kind in your community and you have worked with them and they have selected a specific site, and they say well how do we go about purchasing this piece of property and your answer to them is it is a simple process, we will just advertise it in the paper and three weeks from now you show up on the courthouse steps and bid on it. You get some very strange looks. That is not the kind of position that they are used to being in when they are trying to locate in any community. So the idea is to be able to establish a price which is number 1 a fair market price and number 2 is a price that makes the cash flow work for the development that you can say we will go with your project before a public hearing. I say a public hearing because since you are not going to a competitive bid process the public has to have an opportunity to evaluate what the county commission is about to do and determine that they agree that yes this company is going to provide substantial benefit to the community. It is a screening process.

Mr. DuBois asked what guarantees they had. If someone comes in and says I can do this, this and this and I presume you signed an agreement.

Mr. Bourn stated that one of the things that they have done is we have set up an industrial park and the board reviews and investigates any prospect that gets to the point of being serious enough about wanting to locate which means looking at their track record and looking at their financial condition and this is not an exhaustive investigation but it generally is good enough that we are able to weed things out. The second thing is that we set up a set of protective covenants in our industrial park that has one particular provision in it which is a reversion clause and if the company does not begin construction within eighteen months of purchasing the land they are forced to sell that land back to the county at 90% of their purchase price. So we feel that we have a setup there where someone is going to be very wary of purchasing that property and not getting into construction.

Mr. DuBois stated that he kept thinking about the industrial park in North Las Vegas where it sits like an albatross over the whole city.

Mr. Bourn stated that everybody has brought that up.

Mr. Redelsperger asked if this in fact has happened. Have you actually had a prospect that came out, found a site when you have advertised and had somebody come in and outbid them.

Mr. Bourn stated no, it has not happened yet because at this point in time our community is not in a position where someone can take a look at the community and say yes this economic development program is going to be successful. We are trying to head off a problem - well we are trying to handle two problems really. We

are trying to head off that problem which we think if our program is as successful as it can be it could appear for instance before the next session of the legislature. The second thing is that to deal with an industrial prospect as a practical matter and to tell that prospect that in order to purchase the site that you and he have agreed upon as the site for him to locate on and there is no other site in the community that would meet his needs that he is going to have to come to the courthouse steps and bid of that, no matter how many times you assure him that the community is behind the economic development program at this point in time the price of the land is such that it is only useful to a user, you still have a very nervous person on your hands.

Mr. Redelsperger stated and asked Mr. Bourn if they had ever thought about opening bids to people in the community to come in and sell a piece of land and developing it beforehand. They may even have a piece of land that is already developed. He may not want to move into that park but may want to move into -

Mr. Bourn stated that by the time he has made that determination he has already had an opportunity to do that. The fact is that we have no other industrial sites.

Mr. Redelsperger asked if that was due to zoning.

Mr. Bourn stated that no it was not due just to zoning. It is due to the existing extension of utilities. We had to run sewer three miles and water two miles through this site to develop it. It is just that the cost of doing this development was not a cost that any private developer was willing to undertake. I have had about ten years of experience in economic development and I went through the community two and a half years ago as a result of closure of the Kennicott mine and one of the first things that we did was simply to evaluate why the community hadn't been successful so far in attracting anyone and one of the primary reasons was that they simply had no sites. No sites that would be considered suitable by any industrialist and that situation still prevails with the exception of this industrial park property.

Mr. Redelsperger asked how many businesses are actually in the park. You said a piece of it is sold.

Mr. Bourn stated that they had only one actually in right now. We have sold three pieces of property and the one that is actually in simply did not even have a temporary site already in the community. They are in running over a road that we threw gravel on very quickly for them.

Mr. Redelsperger stated then that they just foresee this as a problem. It hasn't happened yet.

Mr. Bourn stated that there is a problem already with respect to the bidding process. It makes a client very nervous and generally when

a client has said he has selected your community he really hasn't selected your community, he is down to the point where there are two or three communities left on his list all of which are in a position of parity and he is going to go then in the direction that it is easiest for him to go. That has been my experience.

Mr. Redelsperger stated that in his community they had some industry looking.

Mr. Bourn stated that he thought they were in kind of a unique position because in other communities where I have worked where the same problem has existed we have found private developers willing to develop an industrial park. In the last community in Baumont, Texas where I worked prior to coming here, we kind of had to force that on them. We went into a fully study of a private non-profit corporation developing a park and when it was apparent that we were serious, then we had three industrial parks begun by private developers because they did not want a non-profit competitor. But we did not have that kind of thing happen in Ely. In fact all the people in Ely and White Pine County who would have been at all capable both financially and with experience in developing an industrial park were part of the study team that looked at the development of this park by the county.

Mr. G. P. Etcheverry of the League of Cities testified next. He stated he was here in support of SB 4 and in going through the hearing process in the Senate those questions were answered. We asked Mike Bourn and the committee to make some amendments which were referred on this bill as amended to take the word housing out of there and that should clean up the bill. The need is there in White Pine County and being formerly from White Pine you sometimes hate to say well why should we help White Pine and no one else. It is true I think White Pine is even getting tired of saying why should we help White Pine they are trying to help themselves and this bill will accomodate what they are trying to do.

Mr. Dini asked if he was representing the League of Cities. He questioned Mr. Etcheverry if all of the cities supported this.

Mr. Etcheverry stated that the League of Cities supports this program and we supported the program from the inception at our League of Cities convention in Henderson.

Mr. Etcheverry stated that White Pine does need it and the League does support the efforts of the City of Ely.

Mr. Dini asked if Mr. Etcheverry would mind if he put a population clause on this.

Mr. Dini stated that the reason that 244.231 was passed I think it was probably in the 20s or 30s when the county clerks and the DAs and the guys in the courthouse started to buy up all of the property at tax sales and shady deals and I think if you are going to open

this up so someone can play games on property then you had better tighten it up so that they cannot get away with that. That is why these laws are on the books because in the old days I could go to Yerington and the county clerk and the sheriff had bought up everything. That is why these laws were put on the books. Now we are opening it up so I am not sure that this bill has the tightness that it needs to prevent that kind of thing from happening. We are going to have to work on this bill before we can pass it. We don't even have enough votes in here to get it out today anyway so we would like to work with you people to make this bill workable and to prevent any abuse to the taxpayers and the residents of the community. The concept is great and I know they need it up there. I think we just have to do some more work on it.

Mr. Etcheverry stated that he knew that the City of Ely had concern about it. We would like to make it applicable to anybody in the state, not just to White Pine County and particularly the City of Ely. Under NRS 266 as you well know they do have the flexibility however the county does not have the flexibility and that is the need for this and I discussed it quite seriously with the City Clerk there in Ely and the position of the league is that any city that needs assistance the rest of the cities would go along with whatever the plans were depending upon the fact that it does not hurt another city. At this particular point it does seem to appear to hurt anyone else and if it could be made broad enough that any city or county and we thought we amended it to do that then naturally the League of Cities would be for it. And we do have those things.

Mr. Redelsperger stated that he might strongly oppose it then. That might be unfair competition in areas where you do have the free marketplace taking care of the needs.

Mr. Etcheverry stated it is a strange thing. I have lived in the state pretty close to 52 years and I found that in each area and being the mayor of Ely I found that the problems in Ely and sometimes in Wells and in Caliente and not yet Pahrump, but some day they will incorporate down there, you are going to find that an incorporated city has a little different problem. You have to remember that you have two types of incorporated cities in this state. You have the general law and the chapter cities and they are somewhat different. Not all applies uniformly to all of those cities. That is one of the problems that we have had. Mike (Bourn) brought up a question and wanted to know if anything had ever happened in Ely that would require some of this. I can recall when something happened in Ely and I think John Polish can remember this. The City of Ely set aside an area for the purpose of building an LDS steakhouse on Ely's north side of town. Now sits a water tank and one building. We set that aside and it was common knowledge throughout the community that that was set aside for the LDS church. No one else really wanted it but we had to go to the bidding procedure. This was several years back and as a result a private firm came into Ely and bid, and as a result they did not build the LDS church there.

No one else was going to bid because that is what they felt and that was done for two purposes. One to get the church up there and second to get the services, water and sewer up in that particular area and as a result the church went to another area. This is just only one incident in the time that I was involved in local politics in Ely. I have to concur with what Chairman Dini said. I can recall too when the assessors and sheriffs and county clerks and county recorders owned all the property in the state. No doubt about that.

Mr. Bourn stated that in terms of tightening up the bill we went through that to a considerable degree on the senate side. The one thing that was arrived at and it may not be clear when you read the language of the bill, because I think the language is not very clear, but there are two public hearings required in order to go through this process. You've got to have a public hearing before you can avail yourself of the privilege provided here. You have to have a public hearing which allows you to lay out the entire plan for development.

Mr. Bourn stated that you are also going to have to go through a public hearing with respect to any change in zoning on the property to accomplish this and you are also going to have to go through either a public hearing or referendum to accomplish any financing of the project and that is before you get to the public hearing required on each and every sale. So it looked like there was an opportunity there under present Nevada statutes to protect the public against abuse of this. In fact we would have no objection to their being a population limitation on it.

Mr. Dini asked if anyone else wished to testify on the bill. He asked Irene Porter if she wanted to speak.

Ms. Porter stated that she knew that the time was getting short. I would just say that our position would be that there be a population cap in here otherwise you are going to get this thing used in areas it should not be used in and that is happening today in industrial revenue bonding by the way. So it can happen. I would suggest counties under 30,000 population.

Mr. Dini asked how about counties under 10,000.

Mr. Dini questioned how many people were in White Pine.

Mr. Bourn stated the census says there are 8,000. We think we have about 9,000 right now.

Mr. Dini stated that all that counts is what the census says.

Mr. Bourn stated that he knew but that they did not expect to get this thing developed quickly enough.

Mr. Dini stated that the census would not change for 10 years.

Mr. Bourn asked if we could have 20,000.

Mr. Dini stated that he was going to put this bill in a subcommittee and the subcommittee could work on it over the weekend and early next week. Mr. Dini appointed Mr. Polish and Mr. Redelsperger to the subcommittee.

Mr. Dini stated that he had a request from the bill drafter. We have a couple of clean up bills they want introduced.

BDR 23-868\* and BDR 48-140\*\* Mr. Schofield moved for committee introduction which was seconded by Mr. Nicholas. The motion carried unanimously.

Mr. Dini stated that with regard to AB 470 that the committee would wait to hear testimony from Assemblymen Chaney and Bennett.

Mr. Dini stated that he felt that AB 468 should get a Do Pass. Mr. Nicholas moved for the Do Pass which was seconded by Mr. Polish. The motion carried unanimously.

Mr. Schofield stated that he would like to make a report from the subcommittee on AB 283. He indicated that they had two amendments which they would be recommending and that they would take care of that next Tuesday.

There being no further business to come before the meeting, the meeting adjourned at 9:06 A.M.

Respectfully submitted,

*Barbara Gomez*  
Barbara Gomez  
Assembly Attache

\*AB 511  
\*\*AB 510

ASSEMBLY GOVERNMENT AFFAIRS COMMITTEE

GUEST LIST

Date April 16, 1981

<u>PLEASE PRINT YOUR NAME</u>	<u>PLEASE PRINT REPRESENTING:</u>	<u>I WISH TO SPEAK</u>		
		<u>FOR</u>	<u>AGAINST</u>	<u>BILL NO.</u>
Mike Bourn	White Pine County	X		SB 2
RICHARD E. BAKER	PUBLIC WORKS BOARD		X	AB 470
G.P. Etcheverry	New League of Cities	X		SB 4
Joe Cathcart	City of North Las Vegas			
Al McNitt	Homeing Dev	X		AB 268
JOHN MADOLE	ASSOC. GEN. CONTR.		X	AB 470