Minutes of the Nevada State	Legislature				
Assembly Committee on	GOVERNMENT	AFFAIRS	-	Room	214
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MEMBERS PRESENT:

A Quorum

GUESTS:

Testifiers as recorded in minutes

Chairman Dini called the meeting to order at 10:40 A.M. The first bill to be heard is

Mr. Bob Gagnier, SNEA: After a number of meetings and discussions between the State Personnel Division and SNEA, we have taken a number of the modified provisions from AB-416 and put them into a new bill. It is a bill which we can now both support and we have so indicated.

Mr. Jim Wittenberg, Administrator, State Personnel Division: As Bob said, we have agreement on all sections of the bill and still provides, as far as the administration is concerned, a lot of mechanisms and changes needed to reduce some of the hamstrings that we now have in terms of the examining process.

Starting with Page 1, the cooling off period, or the issue wherein an employee resigns and may come back at the eleventh hour or anytime prior to the time the resignation is effective must be put back to work, has been modified to a three working day cooling off period which is contained in Lines 5 through 7.

In Section 3, Page 1, starting with Line 8, provides for automatic movement without examination for employees who are in preparatory positions who advance automatically and who meet the minimum qualifications and have, of course, the recommendation of the appointing authority.

In Section 4, Line 13, provides that competitive examination where there are fewer than five qualified applicants, after extensive recruitment efforts have been made, may be waived.

Line 23 simply provides that there will be regulations promulgated with reference to the specifics involved on Page 2, Line 3 where we have designated classifications below a salary level of \$12,500 as of December 31, 1980, that there may be rules and regulations in terms of certification that may differ from the rest of the classes in state service. On Line 6, classes where applicants for promotion are not normally available, it provides the authority to make regulations which provide for a difference there.

The next item was bringing our statute into line with an Attorney General's opinion with reference to residency. That provides in the language on Line 16 that if a person resides in the state at the time of examination, they are considered a resident, rather than the six months requirement.

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On Line 37: the chief may suspend the requirements for competitive examination for positions requiring highly professional qualifications that include licensure certification. This section streamlines in that area.

On Page 3, Lines 7 and 8, we include 'continuous service', which has been defined elsewhere.

We are removing, which is a part of the agreement in the negotiations process on this bill, on Lines 42 through 45 the words, 'the first six months of employment and sick leave usage during that period of time'. This will allow an employee, upon employment by the state, to be eligible for sick leave as they accrue it on a month to month basis and usage of the same.

On Page 4, Lines 8 and 9 simply specifies public service except service in a political subdivision of the state in terms of sick leave accumulation and pay off upon termination or retirement.

Those, as I say, and as Mr. Gagnier has indicated, we have reached agreement on those items and this amended version will certainly be very helpful with reference to the problem that I have discussed and described to the committee earlier.

This concluded the testimony on 699.

The next bill to be heard is $\underline{SB-386}$ - Makes various changes to law governing metropolitan police departments.

Jean Ford, Senator, Dist. #3: SB-386 modifies Chapters 280, 277 and 211 to provide an enabling act to allow local governments within one county to join together to form a metropolitan police department through the adoption of ordinances. There are in this law now as amended several mandatory elements to be utilized in developing those ordinances. There is another provision that any entity may withdraw. There are people here this morning from at least one county in the state that have chosen this option in the past through the law we passed a few years ago and parts of that law were declared unconstitutional by a district court. This bill, we feel, makes this law whole again, taking out provisions that the court had objection to. And, at least one county wishes to continue having a metropolitan police department and utilizing the transition language and the enabling language in this law to allow them to proceed. bill before you is the result of a number of hours of discussion between people from the Las Vegas Metropolitan Police, the Clark County Commissioners and the officers of the City of Las Vegas. There are representatives from all three entities here this

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morning to answer any questions you may have. They have an outline of the bill and will be happy to go over the bill, section by section, if you wish.

John McCarthy, Sheriff, Clark County: We feel that we are able to present a bill to this committee that is supported not only by myself, the Metropolitan Police Department, but also the entities involved, that being Clark County and the City of Las Vegas. It removes the constitutional impairment which was the thrust of the court suit. Rather than have a police commission as the bill formerly was, or NRS 280 was, we will have a police committee in charge of fiscal affairs. The committee will be composed of two city, two county representatives and the third person appointed from a list of nine nominations made by three from the city, three from the county and three by the sheriff. One person will be selected to be the chairman. The sheriff no longer sits in that particular capacity as chairman of the police commission since it would be abolished by the enactment of this bill, and the sheriff is not a member of the fiscal affairs committee.

Part of the difficulty since day one with the Metropolitan Police Department has been lack of flexibility in the funding formula. We think we have accounted for that substantially in the fact that the county has acknowledged that they will assume full responsibility for the jails, and that is rightly so. addition to that Metro Police operates twelve resident officers in eight resident sub-stations throughout the county. county has also acknowledged responsibility for that. The bill also provides some flexibility which I think will permit growth of the department through the years. As in the past, the fund balance of the department had to be returned to the funding This will permit us to retain the ending fund balance and invest it in short term loans and we can also borrow money for capital expenditures. One of the more contemporary issues we are facing is the renovation of our communications system over the next several years. We anticipate having to outlay a sum of \$3 million and trying to get that money from the funding bodies in one lump sum would be exceedingly difficult. I am almost reluctant to be too enthusiastic about it because we have come a long way with this particular piece of legislation and I think it will go to serve our needs and the city and county needs much better than formerly.

Mr. Dini: Is there anything in here, or where is the section in here on being able to borrow money?

Mr. Jim Lien: On Page 11, Lines 7 through 12. I will pass out to the committee a copy of our Funding Formula. A copy of same is attached hereto as EXHIBIT A, and made a part of these minutes.

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Mr. Dini: One thing you may want to explain to us is that the bill does provide for a local government entity to pull out.

Mr. Lien: There is a provision which allows an entity to withdraw, which involves settlements regarding any real property that they may have turned over to the department for use or personal property which they may have been involved with. You will find on Page 11, beginning with Lines 18 through 30, what happens regarding personal property. The individual or the political subdivision that is withdrawing is allowed to receive a share of the personal property back which it has contributed to the operations of the department. Continuing on down even in Paragraph 7, Line 31, you see a provision now which allows the absorption of the debt. On Page 12, Paragraph 5, Lines 8 through 23 covers real property.

Senator Ford: This is not new a layer of government. It is not an entity unto itself as the bill originally proposed, but they remain a joint department of existing political subdivisions. However, this law allows this joint department to have certain powers that they have not had before.

Mr. Lien: In Section 35, Pages 15 and 16, includes that any existing department may continue in operation until September 1, which gives time for entities to adopt ordinances to actually create a department.

Mr. Mello: Where in the bill does it bring in North Las Vegas and Henderson in?

Mr. Lien: It does not bring them into, it is permissive language entirely. On Page 2, Lines 18 on.

In answer to Mr. Jeffrey's question, Mr. Lien: The rural programs are set up in the rural areas of the county, such as Moapa, Searchlight, Laughlin. They are areas that the City of Las Vegas or if other cities in Clark County join, should not have to help finance. Paradise and Winchester, for example, are directly operated by the Department. The substations are actually not located in those areas.

Senator Ford: This is an enabling act that any county in the state could opt to use. There are no specific formulas in the report for various areas for that very reason. Each entity would apply this formula to their area, and it might come out different. The repealers are in Section 33.

Mr. Prengaman: Why did you make it so broad as to apply to other counties?

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Senator Ford: In order to make it constitutional. That is the whole problem, is coming up with language that cannot be pinpointed as special legislation for one area of the state alone.

Mr. Lien: Section 9 relates to the structuring of a department if a specific entity(s) wanted one. This applies to a complete department and would not include an entity that wanted to merge their services with another, i.e., White Pine, which can be handled under Chapter 277.

Senator Ford: We did use eighteen different elements that could go in the funding formula. As we worked them down, we found that these were the major ones and all the rest become a 'wash' or fit in under these major categories. There was a lot of consideration, other aspects, but the formula, using these major things, are the ones that both entities agreed was a fair way, and, I might say, we went into that not knowing how the city or the county were going to come out, as far as applying the formula as this handout is. We starting working with what is a fair way to judge what it is costing for law enforcement, and we applied all the figures later, and I think that's to the credit of both the city and the county.

Mr. Ron Lurie, City Commissioner, Las Vegas and member of the Metropolitan Police Commission: We are in complete agreement on the bill and support it. We have come a long ways in assembling this bill to bring it before your committee.

Mr. George Oligvie, City of Las Vegas: I have no problems at all with it. It satisfies all the elements of the law suit that is presently pending in the Supreme Court and will render that law suit moot.

Mr. DuBois: If you don't reach a decision on the formula and you go into arbitration and go beyond your budget deadline, what happens then?

Mr. Oligvie: There is a deadline written into the bill, March 1, by which time the panel has to render its decision to the participating entities. That decision is final and binding. There is no further appeal, so I would contemplate that by March 1 of any year, the funding formula would have been firmly established. It is not subject to further appeal. This is in Section 14, Page 5, Lines 11 through 13. The decision is final and binding.

Mr. Mello: What happens at the end of the fiscal year. There is a surplus left. What happens? What happens to the money, how is it carried over?

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Mr. Oligvie: That remains in the Department. It does not lapse back into the participating entities. It would be used in mitigation of the money they requested the next year.

Mr. Mello: Whatever you had left, you just add to it. It would not be placed in a fund for the sheriff to be used in any other way. This board, you say, would take that into account?

Mr. Oligvie: Yes.

Mr. Lien: Part of it, also, Mr. Mello, is addressed in <u>SB-411</u> which requires rather strict controls on how ending fund balances may or may not be used. The department would, then, be restricted to use it for reducing its request, or if the funding agencies agreed, they could add it to its request for the following year.

Mr. Patrick Pine, representing Clark County: We have testified in support of SB-386, but I would like to give you two or three items of background on that support. First of all, we initially proposed, as a county position and what had been our initial hope which is not identical to the bill we have today, was that you could first by inter-local agreement arrange to have a metro on whatever formula happened to be settled on in whatever county and city went together. There was some concern about that particular mechanism, but we have always had some hope that this way if White Pine County went together on something and the two entities got together and said they would split \$50,000 and \$100,000, and that's the agreement they reach, we had preferred to do that first before you got into a formula. And I want to make that clear, because there has been some That would be our preference. First do it by interlocal agreement. Secondly, we have two other concerns. We believe that the county will have to expend somewhere in the neighborhood of \$8 to \$10 million additionally over that which we tentatively budgeted for the next year, taking the jail and police funding in account. Because of that fairly substantial commitment to additional expenditures, we know we would need some relief under the terms of the new tax package, and there is a clause in there for that. There is just no way that we could free up another \$8 to \$10 million. It would have to come from other programs, etc., at this late date. So, we had that condition that we needed relief from the cap. Finally, we have consistently said that we support this with one other condition that concerns us as to the future, and that is, the funding, etc., the county is making a considerable committment to additional expenditures from its budget and the formula is based on sort of the status quo of an existing system. If there were some form of major governmental reorganization which then would affect any party drastically, as to how this formula would work, we

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would run into problems very quickly. We placed a condition that we could support this package as long as we did see nothing that hit us as potentially a major governmental reorganization as to what the framework of the service delivery would be in southern Nevada.

Mr. Craddock: If the county is going to be \$8 million short, will the city conversely be some amount long?

Mr. Pine: The city will have some additional funds from that which was tentatively budgeted, probably \$3 million. They say that this really recoups some major problems they had, budgetary, and I don't mean to get into the area of the city's particular budget.

Mr. Russ Dorn, City of Las Vegas: We can address it in two positions. One is, since 1977, when the Legislature was in session, it put a burden on the City of Las Vegas for the Metro paying for 50%, and last session it changed to 47%/53%. of Las Vegas only sent prisoners violating city ordinances, which was their responsibility by state law. We have been paying our unfair share since 1977. That's approximately from \$10-\$12 million. The county is not concerned about a rebate and we are not asking for a rebate. The city will receive approximately \$3 million as a result of the adjustment concerning the jail. We will operate our own city jail or contract with the county. \$3 million that I refer to is an adjustment in the city's tentative budget. The city increased its budget this year \$6 million, a \$4 million increase to the Metropolitan Police Department, a \$2 million increase to fight fires and to provide fire equipment. To do that, I had to present a tentative budget to our city commission to cut \$3.1 million out of city services. The was a 13% across the board cut. What that does is it freezes 111 positions and some of those would have to be lay offs. cut back in overtime and other expenses and programs of city government. With this adjustment of the funding formula, \$3 million, the city commission in its final budget will adjust the line items to provide the city services and programs that we had to cut back to give to Metro to fight crime, and for fighting fires, which are our two most important priorities.

Mr. Pine: Regarding the \$10 million paid to the county, we are talking about two different tentative budgets. We budgeted a different total amount and a different share for Metro than the city did, so when the city compares to their tentative budget, or I compare to my tentative budget, you are not necessarily going to get a match because we started out with two different budgets that don't necessarily have the same underlying assumptions about how much will be spent for Metro, either in total or by share.

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Mr. Jeffrey: In 1977, when the formula was established at 50%/50%, and the city was given one-half of the responsibility of the jail - that was my amendment that did that - and it was with the understanding and agreement between the city and the county that everything would go 50/50. It was with the concurrence of the city. The city may not have concurred based on the percentage figures, but the responsibility was equally shared at that time, with the concurrence of both parties.

Mr. Dorn: Mr. Jeffrey's point is well taken. I don't think anybody realized that we would have such a great impact of the federal court consent decree that we have and presently building a new Clark County jail. Regarding reorganization mentioned by Pat Pine, one of the reasons we support this bill is that it is a flexible, applicable funding formula that uses factors that establish the cost of level police services. If there were a reorganization and there was an increase in population and calls for service or felony crimes, either party who had that increase would pay more and the political subdivision that had a decrease in population, calls for service or felony crimes would pay less. So, that funding formula readjusts the elements necessary to pay a fair share and have an equitable share of police services.

Mr. Jeffrey: What would happen if, say, a couple of the strip casinos decided to annex to the city. That wouldn't have a significant effect on all the calls for service, I wouldn't think, but it would have a significant effect on the revenue base.

Mr. Dorn: I can address that in two ways, Mr. Jeffrey. One is that it would increase the population and it might add to the felonies reported. The hotel might have more calls for service, and in the case of the city, we would have to pay more of our share. In budgeting in our state, the ad valorem is not just the only source of revenue; there are other sources of revenue that we use to pay for police services and fire services, etc.

Mr. Dini: Regarding SB-411, in reference to the cap on revenue, if you were able to raise, say, \$2 million in gaming tax revenue additionally, by the acquisition of somebody on the strip to the city, you wouldn't necessarily be able to spend that \$2 million because, based on the formula that is in the bill, you could only raise your total budget by a certain percentage, right? So, you would actually have a decrease in your property tax, or if you have a surplus coming in from the other sources of revenue. Is that true?

Mr. Marvin Leavitt: That statement is not true in relation to gaming taxes. The controls in $\underline{SB-411}$ are over property taxes, so that the amount of property taxes coming in would be controlled

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by the rate not of the total dollar, as relates to the type of gaming taxes that the City of Las Vegas has, which are on rate. So, the total rate would be controlled but the total dollars would not. Now, there is a mechanism in SB-411, however, where a government loses substantial part of their revenue base for an adjustment under the limitations of SB-411: an allocation of additional city, county relief tax by the committee, as well as allowable increase in property taxes which would partially offset, if there was this situation that Assemblyman Jeffrey mentioned. So there is a mechanism in SB-411 to make an adjustment and thos loss of revenue base is particularly mentioned there as one of those things where revenue is less than anticipated.

Mr. Dini: If you had a strip casino which has a percentage tax on gaming, and that hotel should go to the city, the city would not be able to impose that tax under the moratorium provision, is that true?

Mr. Leavitt: Yes. That is correct. They would be on the same form of taxation the city has for all other establishments.

This concluded the hearing on SB-386.

The next bill to be heard is AB-693 - Changes procedure for reconveying land which has been acquired by eminent domain or dedicated or donated to local government.

Mr. George Oligvie, City Attorney, City of Las Vegas: The city endorses AB-693. It is a companion measure to AB-484 which has already been passed by both Houses and approved by the Governor. We feel now that AB-484 did not go quite as far as, perhaps, it should and for that reason we are supporting and endorsing AB-693. What AB-484 did was it cleaned up the procedures with respect to giving back land which had been donated or dedicated to a city for governmental purposes. It did that in a very good It requires that the proposal to reconvey the land to the original dedicator first has to go before the Planning Commission of the city and after that recommendation is received by the governing body, the governing body has to hold a public hearing. If after the public hearing the board determines it is in the best interests of the city to reconvey the land, it may do so to the original dedicator, or if the original dedicator refuses to accept it, then it may sell it by open bid. Insofar as it applies to donated and dedicated land, this is fine. However it stops short of dealing with the problem that you have with land that has been purchased and dedicated to a public use and land that has been condemned or purchased under the threat of condemnation. The City of Las Vegas, for example, has purchased land in the past and dedicated it immediately to a public use.

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For example, Tulle Springs Park, which is now Floyd Lamp State Park, was purchased and dedicated to a public use when it was turned into a park and the City disposed of it by donating it to the state. However, if it were of a mind not to dedicate it to the state, but it found it was burdensome to keep it up and wanted to sell it, there is no mechanism in the statute for the sale of that land because it has been dedicated to a public use. The same thing would apply to Lorenzi Park. That was purchased by the city many years ago and dedicated immediately to a public park purpose and, therefore, would not be eligible for sale for reconveyance under AB-484. By incorporating the provisions that you have put into AB-484 into Chapter 37, you are giving the person whose property has been condemned more protection than is presently provided by the existing Chapter 37. 260. The present language says that all that the governing body has to do is determine that the property is no longer needed for the use for which it was acquired and they can put it out to If Chapter 37 is made subject to the provisions drafted into Chapter 268 by AB-484, then to get rid of land that has been acquired through condemnation, you have to go to the Planning Commission; the Planning Commission studies the matter, makes a report to the governing body; the governing body then has to hold a public hearing and, in addition to that, if they still to ahead and want to reconvey, they have to offer it back to the original owner of the property that owned it at the time of condemnation. There is no similar provision in the law at the present time. By making the provisions provided for in NRS-37.260, subject to the conditions that will be in Chapter 268 as a result of AB-484, you are adding additional protection to landowners. In AB-693, you are placing all property owned by the city or county in their governmental capacity on the same footing with respect to reconveyance, regardless of how it was acquired. We support its enactment.

Mr. Dini: Do you want to explain the words: 'purchased under the threat of eminent domain proceeding'?

Mr. Oligvie: For example, if I wanted to build a road through your property and, for some reason, you were reluctant to sell it to the city, the city could say, if you don't sell it to us, we are going to condemn it. You would say: I don't want to go to court. If you will give me \$1,500 more than you originally offered me, I'll sell it. That's a purchase under the threat of condemnation, and it happens very frequently because, under the income tax laws, you get a tax break on your income tax if you dispose of property to a public entity in that manner, as opposed to saying: That's a good deal and I'll take it.

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Mr. Dini: Well, how would you reconvey if you did use eminent domain. Is that in another section of the statute?

Mr. Oligvie: No, you follow the same procedures that you put in the statute by virtue of $\underline{AB-484}$. At the present time, under Chapter 37.260, all that has to be done is the governing body adopts a resolution that it is no longer needed for that purpose and they are free to sell it by sealed bid or public auction. This way, they have to go through the other rigamarole and also have to offer it back to you before they sell it by sealed bid or public auction.

This concluded the testimony on AB-693.

Mr. Dini asked if anyone was present to testify in favor of AB-692 - Provides administrative procedure to hear appeals from certain decisions of state engineer.

No one came forward to testify in favor of AB-692.

Mr. Greg Millspaugh, State Engineer, Las Vegas: I speak in opposition to AB-692. I have, myself, had quite a matter of proceedings before the State Engineer's office. In fact, I have one matter that has continued almost four years without a final determination by that office. So, if there was anyone in the area of Clark County that would have reason to seek or to have desire of an administrative appeal procedure, I believe that I would be well suited to that task. The measure that is before you now would be the weakest possible way to go. would set forth an elective board of three members who would have the administrative appeal powers. This would presume that your elected officials, where no qualifications are provided, would have the technical qualifications to know and to be able to resolve an issue that may have taken as much as four years or more within the department itself. I believe you would have a great deal of problem finding that kind of technical competence with a general layman. Further, the board, as it would be constituted, does not provide whether those elected officials would face a partisan or non-partisan election. As an elected body, you have an apportionment of members of that body that would be flying directly in the face of the principle of one man one vote. You would have an apportionment of Clark, Esmeralda, Lincoln, Mineral and Nye Counties being assigned one member. If you had a body to be constructed of three members, at least two of those three would have to be assigned Clark County alone. The bill suffers from serious weaknesses throughout.

The essential point, however, is that there is at this time a certain difficulty in obtaining the kind of appeal proceeding that one needs from the decision of the State Engineer. Since

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the matter of the Engineer is a matter of water and that water is essentially the same thing, whether it be adjudicated in a surface right or underground right, anything that is going to be done as an appeal process, effectively is going to be involving the tradeoff between previously adjudicated surface rights and any temporary underground basin rights that might be the subject of an application right now. For that reason, if you go into an administrative appeal process, you may have an administrative appeal board running counter to what has previously been judicially determined. If you do that effectively, you have got the administrative offices of the executive branch of government running directly counter and issuing orders directly counter to what has previously been assigned by a court. I would say that instead of attempting to go to an administrative appeal process, you would be best advised to proceed into making things a little simpler and straightforward for an applicant to obtain a judicial appeal, by extending the amount of time a person has to make his judicial appeal and to simplifying some of the technical requirements for notice and sitting and testimony and evidence before that judicial appeal. Basically, the idean of attempting to solve your problems by the creation of an entirely new process within the administrative appeal, is one that is going to find you more problems than it can possibly solve.

Mr. Mello moved for INDEFINITE POSTPONEMENT of AB-692, seconded by Mr. DuBois. Motion carried.

The next bill to be heard is $\underline{SB-652}$ - Facilitates mechanics of annexation of cities in largest counties.

Mr. Ron Lurie, City Commissioner, Las Vegas: The city supports $\underline{SB-652}$. Contrary to what you may have heard, the City of Las Vegas is not supporting $\underline{SB-652}$ because it desires to annex the lucrative Las Vegas strip and surrounding areas. The current annexation law, with the exception of the provision prohibiting the city from soliciting annexation petitions which is proposed for repeal in $\underline{SB-652}$, was enacted in 1967. That provision was not enacted until 1973. (The full text of Mr. Leary's testimony is attached here to as $\underline{EXHIBIT}$ B, and made a part of these minutes).

Mr. Oligvie: During the 1967 legislative session, the concept was that the cities in the state should be allowed to incorporate within their boundaries any areas that were developed for urban purposes or any areas that transitioning into urbanized areas. In adopting that 1967 law, the Legislature made certain findings which are set forth in NRS 268.572, a copy of which is attached hereto as EXHIBIT C, and made a part of these minutes.

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In the last few years, the annexations in the northwest section of the city have been proceeding on a piecemeal basis because of the peculiarities of the law we are talking about repealing in $\underline{SB-652}$. As a result of this, we propose and hope to rectify this through the enactment of $\underline{SB-652}$.

Mr. Dorn: Clark County is one of the only counties in America today that is in county regional services and urban services. If I may direct the committee's attention to our map on the wall and the map before you of two urban services the city must provide that exemplifies county islands and problems with what is commonly referred to as 'no man's land' of people calling City Hall and saying: please come out and fix my street, or wanting various city services, and they don't live in the city. Fire protection and emergency medical service is the best example. On the map, Fire Station No. 9 covers a 76 square mile area west of Decatur and north of Las Vegas Drive. Our city fire department responded to 1,070 calls dispatched for the period January, 1979 through December 31, 1979. Of those 1,070 calls, 464 calls or 43.4% were in the unincorporated area of Clark County, with the remainder in the city. The total operational cost for the fire station was \$543,559 for this period, which means \$235,940.62 of the cost went to service in the non-city area at the expense of the city taxpayers. Clark County did not pay one dollar reimbursement for these costs.

In the blue area of the map, the county has been unable to provide the requested fire and sewer services. These citizens have asked in the past for annexation to acquire these services. There are five fire stations in the City of Las Vegas. The closest county fire station is twelve miles away in the blue area and the response time to the heart of the county island is 23 minutes. In Commissioner Lurie's opening testimony, he mentioned that it is not just the prohibition of soliciting or speaking to residents of Clark County by the City of Las Vegas only, it affects the residents of North Las Vegas, Henderson and Boulder City. The prohibition is on all cities to speak to constituents that desire to be in the city to provide urbanized services.

The map indicates the proposed extension of sewer lines to accommodate the growth in the west and northwest area for the potential impact of MX. We feel we will be heavily impacted in that area due to good land and water provision and the land is pretty reasonable. I think the two maps indicate some of the city is experiencing and the suggestion that the city would have in clearing this up would be the support of <u>SB-652</u> so we could go out and talk with our residents and restore the city's and Clark County's status to equal status with other cities in Nevada.

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This would allow Las Vegas and the surrounding area and other surrounding cities to plan for organized growth and avoid piecemeal annexation at a very high cost to the taxpayer.

Some of the landlocked areas that we have within the city, the blue and yellow areas, have caused problems in that many times people call up and have road repairs and ask that the city come out and repair the road and the first thing we have to ask them is where they live and what block. We have to check the master plot to make sure that we are responsible and can go out and service these people. If we have to refer them to the County Manager's office, people think that we are just passing the buck. I don't think that this is a good image for either government.

Mr. Mello: Your intent in SB-652 is only doing something about the blue areas because of MX and not, obviously, because we don't see anything as far as the clubs are concerned. There is no intent, then, to try to annex any of the casinos?

Mr. Lurie: Mr. Mello, if the casinos wanted to come in today, the ones that are contiguous with the city, they could do that right now.

Mr. Mello: They could right now?

Mr. Lurie: Right now. The main item in this request is to give us an opportunity to talk about annexation without being in violation of the law.

Mr. Dorn: Another reason we support SB-652 is to clean up this language to make it constitutional and applicable to all cities throughout the state of Nevada. SB-652 makes no other changes in the present annexation requirements under NRS 268.570-608. The annexed property must still be contiguous to the city. The city must still provide major municipal services to annexed property. The annexed property still must satisfy its standards for annexation contained in NRS 268.580. If 50% plus one of the record property owners object to it, that's the end of the annexation procedures.

Mr. Jeffrey: In the beginning, you should how the county would have to serve this area with sewers, etc. I also remember when we had a vote on annexation and people living in the county didn't want to come in to the city because they were going to have to pay higher taxes. When you assume that annexation is going to solve your problems, I think you are making an assumption that really isn't there. I know a lot of people who live out in that area and I think they would protest, strictly on the difference on the tax rate.

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Mr. Jeffrey (cont.): You are basically making the assumption that those people are going to be willing to come in and I doubt that.

Mr. Lurie: Then all we're asking is give us the opportunity to go ask them, legally.

Mr. Dorn: That is what I would like to address. We are asking to be fair. We are asking to have this gaglore, this unconstitutional provision that prohibits the city from talking to those people. We can't even speak to these people to offer our services if they wanted. I agree with you in that if the tax rate was lower there and they are getting the services now that they are happy with, then that is a safeguard in the annexation law. They wouldn't come into our city, and I wholeheartedly support that. If we can't offer a service that they are now getting and we are charging more in the city, then these people will either object orally or in writing and that will be the end of the proceedings. But we don't even have the opportunity to even speak with these people. The question on annexation - the vote approximately two years ago was on consolidation. The residents of the City of Las Vegas voted 2 to 1. The urbanized area of Clark County voted 2 to 1 against. We are not proposing consolidation here. We are just proposing annexation as this vehicle, SB-652, proposes, to permit us to be equal with our sister cities to speak with people and let the people decide and let the protection of the existing annexation laws be the determination.

Mr. Mello: Can someone tell me why you haven't challenged the constitutionality of this provision before now?

Mr. Oligvie: A lot of our push right now, Mr. Mello, is brought on by the prospects of the development we anticipate because of MX. That is the reason why we haven't challenged it in the past is because we didn't feel the need for it. And, whether we do in the future, probably depends on what occurs with the advent of MX.

Mr. Dini: If this is repealed, you can go out and solicit those people and speed up the process of annexation and speed up the process of putting in the necessary sewer, water, etc., versus waiting from them to petition you or asking you to come in.

Mr. Dorn: That is correct, and this is just the vehicle to set this process in motion. As we all know, it takes one to two years for major extensions of sewer lines to be planned and designed and constructed and we would like to be prepared so we have this growth of MX.

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Mr. Schofield: I saw a letter yesterday concerning other states which indicated that neither California, Arizona, Utah or Idaho have this prohibition.

Mr. Dorn: We can look closer to home, quite frankly. The only prohibition in our entire state is in Clark County, for the cities of Las Vegas, North Las Vegas, Henderson and Boulder City. This is one of the reasons we are asking for your consideration as a committee to take this prohibition off so we can be equal to our sister cities and we can plan orderly growth.

Mr. Redelsperger: What kind of solicitation would you be allowed to do?

Mr. Oligvie: There would be no legal steps that would have to be accomplished. We are talking about being in a position to advise residents in the area of the advantages that would accrue to them if they were to come into the city, notwithstanding, as Mr. Jeffrey suggested, a higher tax rate. There might be other advantages that would enure to them by virtue of annexation which would offset their reluctance caused by the higher tax rate. I would think it would be an informational process at that time.

Mr. Redelsperger: There would be no limit, then? You would go door-to-door, mail out letters, etc.?

Mr. Dorn: A plan must be proposed first, as I understand the statute, on the extension of sewers and services. The financing plan, the cost for these services, must be defined. A time table must be given for twenty-four months. The city must first pass a resolution stating the intent of consideration of annexation of the area, describe the boundaries, fix the date, time of public hearing, etc. Residents must be notified by certified mail, with a return receipt requested. I don't think it would be costeffective to go to every home. Quite frankly, as City Manager, I don't think we should force ourselves onto an area that doesn't want to become part of the city.

Mr. Craddock: Ken, on your question about the type of solicitation, this dissertation that Mr. Dorn has made has absolutely nothing to do with solicitation. None of these things have to be done at all prior to solicitation procedures. The solicitation which took place in the annexation which George and I are familiar with, took place without any prerequisite of any kind. There were many variations of presentations made and some of them were quite untrue.

Mr. DuBois: George, what is the mechanism for someone to protest? Do they write a letter or do they....

Mr. Oligvie: The initiating step would be after the expression

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of intent has been determined through whatever means. The governing body adopts a resolution of intent that spells out everything, plus it sets a date for public hearing. It advises the residents of the area proposed to be annexed that they may come in at a public hearing and you can express your disapproval or approval at the public hearing, plus the fact that it notifies them that if for some reason they choose not to come in, they have a period of fifteen after the conclusion of the public hearing to register their protest in writing. So the implementing step is the adoption of the resolution of intent. The next step is the public hearing.

Mr. DuBois: How do you determine that you have 50% plus one protests?

Mr. Lurie: You take a list of the property owners in that area.

Mr. Oligvie: It is determined on a combination formula of 50% in area and 50% in assessed valuation.

Mr. DuBois: You send out something for them to sign and send back?

Mr. Oligvie: You have to accurately describe the boundaries of the area you are talking about. You will know the various ownerships in lots and parcels. So, if you don't get a 51% protest coming back, you will know that you are able to proceed. You may have a written protest come back up to fifteen days after the hearing, or you may have someone appear personally to protest, which is tabulated at the public hearing.

Mr. Craddock: The definition of majority consists of geographic areas, as well as property owners. One property owner, the federal government, could have prohibited the possibility of securing sufficient protests to make a legitimate protest to an annexation process.

Assemblyman Bob Craddock, Dist. #20: Conditions are considerably different from what they were in 1967. The subject of consolidation, annexation and unification has been around for a long time. It has and is a unique problem in Clark County. When the strip area first started developing, Las Vegas was really not in a position to provide services because of the nature of the needs of the strip and the conditions of the utility systems of the City of Las Vegas. Portions of the historic record indicate that the Las Vegas Police Department did not want anything to do with the unsavory operations in the strip area, as well as the strip not necessarily wanting anything to do with the Las Vegas Police Department. As a result of the early separation, by agreement, between county and city, and the failure to be able to annex in

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a proper fashion, Clark County Sanitation District, the Las Vegas Valley Water District and other such municipal-type services were born in Clark County. Clark County is now operating a full line of municipal-type services. As a matter of fact, Clark County has a municipal service area second to none in Nevada. A solicitation for annexation into the urbanized service areas in Clark County is very comparable to soliciting for annexation between Reno and Sparks, or Las Vegas and North Las Vegas, at this point in time. Under the tax plan that we are attempting to live by, a major annexation into certain areas of Clark County would be devasting to Clark County's ability to provide services to the major unincorporated towns of the valley, namely, Sunrise Manor, Paradise, Winchester and East Las Vegas. Regardless of how Clark County got involved in the major urban service area, it did so under the auspices of the Legislature. The development actually occurred at the same period of time that other municipal service areas were expanding in the Las Vegas area. The ability for Clark County to continue to provide the municipal services would be under jeopardy if major portions of the Las Vegas valley, namely, the strip, should be removed from the county's budget.

The area I live in, Sunrise Manor, in all probability would not be able to maintain the level of services that it does currently were it not part of the 'goose that lays the golden eggs', the strip. If the City of Las Vegas and Clark County can work out an inter-governmental agreements for the purpose of providing fire services, it would seem that this would be a proper step to take.

The solicitations by the City of North Las Vegas some years ago was in fact a big part of what provoked the problem that we have before us today. This involved Nellis Air Force Base.

Mr. Dini: The solicitation involving North Las Vegas was different in that in those years it was wide open. That solicitation approach was different than it would be under today's restrictive annexation law.

Mr. Craddock: No, the annexation law was basically the same then as it is now, with the exception of the solicitation proceedings. The solicitation proceedings in North Las Vegas were under the exact criteria as they would be now if we should pass this bill. That's where my fear develops from.

Mr. Dan Fitzpatrick, representing Clark County: With me is Pat Pine and Deputy District Attorney Scott Doyle. (Mr. Fitzpatrick's written testimony is attached hereto as EXHIBIT D, and made a part of these minutes.

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In terms of the statute of NRS dealing with annexation procedures, it was a vote of the people of the urban towns, not of the entire county, on whether they desired to be part of the City of Las Vegas under the control and new districts of the City Commission. There still would be existing in Clark County under definitions of consolidation annexation two governments in Clark County, a county government and a city government. It would not be one government which in essence would be consolidation.

Mr. Doyle: The trust of this bill is the repeal of the prohibition or dual restriction placed upon the city officials and counties with populations of 250,000 or more, of solicitation in two aspects. One, dealing with the commencement of annexation proceedings and, two, solicitation resulting in the circulation of a petition for annexation of property into an incorporated city or county. The concept of solicitation is not expressly defined within this particular statutory scheme. Therefore, the court rules of statutory construction require that in interpreting this type of statute, you have to allow the words to be defined utilizing their plain and ordinary meaning unless the context specifies that they should be used in some special meaning. Therefore, the concept of solicitation that is addressed in this particular statute would be solicitation in its general context and that would be that it is communication that is directed toward a person or specific group of persons with the idea of obtaining a specific result. The characterization of NRS-268.577 as an outright gag order is not necessarily correct. What is restricted is who may initiate the dialogue and this law specifies that the dialogue regarding annexation must be initiated by the people within the area that is going to be affected through the petitioning process. Once that petitioning process has been initiated, at that point, the city may enter into the dialogue and speak on the relative merits of the annexation proposal. (A copy of NRS-268.577 is attached hereto as EXHIBIT E, and made a part of these minutes.) There is not an outright prohibition on the right to speak, but a restriction on when they may speak, and that is the thrust of the law. At the present time the policy that is embodied in this type of a concept is that it is a citizen choice whether or not to initiate the annexation proceeding. Once the citizen makes a preliminary choice, either as an individual property owner or as a group within an area through a petitioning process, then the other party may enter into the dialogue.

Right now, the city officials cannot institute the dialogue. What they can do is, once they go to public hearing, make a response, put out the plan for service, etc., have the right to speak at that point. If this repealer takes effect, there would be no restriction in the law as to what type of solicitation could be

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engaged in. They would be free to choose any mode of solicitation that they might desire and, in addition to that, there would be no legal requirement of necessity that a specific plan for provision of services within the geographical area to be annexed be provided to the citizens within the subject area prior to the commencement of the solicitation. What the law does presently require is that the plan for provision of services be provided in advance of the public hearing. The solicitation then could be in effect be analogous to a market study and once the fishing expedition had been conducted then at that point a plan for providing services could be set up to address the specific needs of the area, once the survey had been conducted. There is no requirement that the master plan be done in advance. That is only required once the sufficient signatures have been obtained on the petition and the public hearing on the matter has been scheduled.

You only need 10% of the property owners's names on a petition, so, one big property owner can incorporate a mass of area.

Our urban tax rates are low in large part to our strong commercial base. There exists a delicate balance between the commercial and residential properties, especially with the new tax plan and the Metro formula. The new Metro formula is based on population, felonies and calls for service. Let's assume the city successfully annexes a \$100 million assessed valuation hotel. We lose that base, we lose the gaming taxes, business license taxes, etc. Who is going to make up the difference, in that no population has been shifted; very little, if any, calls for service and felonies in a particular major hotel, as they have their own security forces.

Mr. Dini: Are you saying that the commercial people are subsidizing the residential property owners of Clark County?

Mr. Fitzpatrick: It is also true in the City of Las Vegas. Absolutely, especially under the tax system of the state, that we live with in Clark County. Our commercial property certainly does pay a nice share of our tax base which helps to keep the urban town tax rates low. There's no question about that. But we also have to have this tax base because we don't receive the urban taxes like the City of Las Vegas, from liquor sales and tobacco tax. If you move a major population or tax shift, it ripples throughout our county. You are talking about a delicate balance here. You are talking about two major cities, one called a county, side by side, with two different tax bases. If someone takes the cream from our property, we get stuck with the rest. And, it is the residential taxpayer that will get it.

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Mr. Fitzgerald (cont.): If the city annexes where we have already designed a plan for services and, maybe, even floated a bond, or built a fire station, etc., that would have serious impact on our planning process, as well as our service delivery system that we have put into effect based on a status quo situation. It does have a reverse effect on the county and its development of delivery of municipal services.

Mr. Dini recessed the hearing for a lunch break at 2:00 P.M.

Mr. Dini reconvened the meeting at 3:10 P.M. He indicated that the committee would give the county and the city each fifteen minutes to sum up on SB-652.

Mr. Lurie: First of all, I would like to state that some of the comments Mr. Fitzpatrick made were totally out of line and did not address the issue as far as SB-652, when he talked about the areas that the city might go out and try to annex. would read the bill, he would understand that the areas must be contiguous with the boundaries of the city. As far as subsidizing, the city right now has a fire rating of 2 and the county has a fire rating of 3, which when you get into subsidizing, we feel that we have a much more superior fire depart-The city has been subsidizing the police services. We subsidize on recreation and cultural activities within the county with more expenditures that take place within the city. As mentioned in the beginning, the city is not contemplating a massive annexation. All we are asking for is the ability to go out and talk to our constituents, possibly new constituents about annexation and why they should become part of the City of Las Vegas. We don't think we are asking too much. I am sure, as elected officials, we all would like an opportunity to talk freely amongst ourselves and amongst our citizens that we represent. I feel very uncomfortable not being able to talk freely with people who live in Clark County that might want some information or I could provide them some information and all this bill does is allow us that right. As Mr. Fitzpatrick said, this is the 125th day of the session. You are all tired and we are tired, too. We would like to spend a little time at home our-This bill is one of the simplest bills written all session. It is one line. We would like your support in allowing us to have the ability to talk freely about annexation within Clark County. We feel that we are not asking for anything out of the ordinary.

Mr. Dorn: It takes an unconstitutional special and local legislative problem and cleans up the legislation to make all the cities of Clark County equal to sister cities throughout the state. We are not asking to change the current annexation laws and we are not looking for massive annexation. We have testified

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and Mr. Lurie has testified to the committee and has given his word that we are not attempting to annex the strip. The strip, quite frankly, as even the county testified, could come into the City of Las Vegas currently.

Mr. Dini: Are the cities Henderson, Boulder City and North Las Vegas in favor of the bill? They didn't come to testify.

Mr. Dorn: Mr. Dini, I couldn't speak on their behalf.

Mr. Doyle: In our conversation with North Las Vegas, it has indicated a desire to support, as much as possible, the provisions of the bill, but do to some other "circumstances", they decided not to. And, those circumstances I would just as soon not talk about today.

Mr. Dorn: The encouraging comment from the chairman of the Senate Government Affairs Committee, who represents Henderson and Boulder City, indicated that the reason he supports this bill is to remove this unconstitutional language and let every city have an equal opportunity in Clark County.

Mr. Doyle: We are talking about a basic philosophy in terms of urban and regional services. Cities are designed specifically for urban services and counties are designed, governmentally, for regional services. The city is simply attempting as best it can to plan and program for the future of the city. At the present time, the City of Las Vegas is the only city in Clark County that is landlocked. We are landlocked on the north, with North Las Vegas, and on the south by the county. We are asking, once again, under the basic provisions of NRS 268 the same privileges that any other city has. If the bill did anything to give the City of Las Vegas or the cities in the Clark County special privileges, we would have some point for discussion. It does not; it simply provides that the cities in Clark County will be treated equally with other cities in the state.

Mr. Lurie: There was one other point that Mr. Fitzpatrick made about the city going out and annexing other cities. We are prohibited from going in and annexing other municipalities. I did want to clear that statement up.

Mr. Marvin Leavitt: I would like to make a couple of comments relative to tax structure. I think it would be true if there was an annexation contemplated of going down the strip and annexing the entire strip area, or pick up all the large business area within the confines of unincorporated Clark County. The loss of revenue to the unincorporated towns, specifically, would be, probably, disastrous to them. We can agree with that

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fact that they would have a hard time in financing their other activities if they lost that large revenue source. However, as we have indicated that such is not the contemplation, we feel that the tax bills as they currently exist adjust themselves very well to changes in governmental boundaries and structures. They are based upon assessed valuation, so I can not see that annexation of the magnitude that we are talking about, where we are not addressing the major revenue sources of unincorporated towns, would have an adverse impact to those unincorporated towns. As I testified this morning on the Metro Police bill, there is the flexibility under the new tax plan which is actually greater than would have existed before the new tax plan came into existence. When we are right up agains the maximum tax rate, for instance, as we were under SB-204 (979) as well as previous law, where we were right up against the \$5.00 maximum, there was no place to move. Now, at least, by virtue of the committee, as well as vote of the people, there is room to move so that slight adjustments can be taken care simply by the committee or by vote of the people. Based upon the type of annexation that our people have indicated we are talking about, we don't believe that this would be necessary because the adjustments would be small enough to where we are really talking about large areas.

Mr. Craddock: The CCRT is distributed in three ways. If the City of Las Vegas should expand in size, what would that do in relation to the CCRT, this \$4 million that North Las Vegas is picking up.

Mr. Leavitt: Are you speaking of the basic city, county relief tax?

Mr. Craddock: The one that sets \$71,110 per month aside to give North Las Vegas 46%.

Mr. Leavitt: That would have no effect on that. The basis we are talking about is their relative population shift between 1970 and 1980. Nor have we contemplated that having any effect on the population shifts that exist between 1980 and 1990. We have annual population certifications that would take care of any shifts after those dates.

Mr. Dini: On that annual certification, at that point, it would affect the distribution of the tax.

Mr. Leavitt: That's right, it would affect the basic CCRT, the cigarette tax and the liquor tax. The effect of that would be how many people live in the area to be annexed and what relative switch in the population we would be seeing. If MX came in and North Las Vegas picked up a whole bunch of MX people,

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then maybe the percentages might have an effect. However, we are dealing with unknowns at this time. It would definitely have an effect if the City of Las Vegas took in an area that includes a large population area. North Las Vegas, as well as Henderson, would have that option to do a similar thing, including Boulder City, so, maybe the relative would stay the same.

Mr. Pine, Clark County: The argument that there is no way to essentially grab the strip because of the contigous requirement in the statute. Nevertheless, what we are concerned with is not necessarily the strip in its entirety, but it just so happens that the border between the city and the county on the south side of Sahara Avenue, which is a very heavy commercial area, which is contiguous and we have always figured that the contiguous requirement in the law does not necessarily protect against solicitation in that very heavy commercial-oriented area of the county. There were a couple of statements about whether the city fire department was better than the county fire department. I don't plan to get into that argument, but there were also statements that the city subsidizes the county or various services or activities that happen outside the city. I do not believe that is documented. To tell you the truth, to really figure out who is paying for all of the different things and figure out the expenditures would be difficult, as there are subsidies back and forth inherently in the structure we have and I don't think there is any documentation to really show that somebody else is subsidizing someone else. Until I really see that documentation, I don't believe we should get into an argument about who is really coming out better.

As we testified earlier, we do not believe that the ban on solicitation means that someone cannot talk freely. That is our legal opinion and we have tried to make that argument consistently. We don't read that to mean that someone can't talk freely. The difference is the problem with the connotation we have with the word 'solicitation'. On the finance and distribution matter, I agree with most of what Mr. Leavitt said except for one point. Let's assume that there was some annexation of a commercial property from the county to the city. Under the half cent, or the basic CCRT distribution in counties with two or more cities, the cities receive all of that half cent and they will continue to receive it under the new tax The problem that we would have with that is that the idea, as we understand it historically of giving a half cent CCRT to the cities in those circumstances where you had counties with two or more cities, was to alleviate some of the pressures on the property tax and to help them out. Now we would have the reverse situation where you would have a separate and losing

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revenue base, yet the county would in no way, either under the old package or the new package, receive anything from that half cent share of the CCRT. There is no provision for us to receive any benefit from that and I think that goes against the grain of the original philosophy why we allocated the half cent the way we did several years ago. I response to Mr. Craddock's tax question, there are no set figures I can give you but I believe there will be a roughly 50¢ to 60¢ tax differential between North Las Vegas and Sunrise Manor. You might be looking at potentially a combined tax rate, say, at Sunrise Manor, somewhere in the area of \$1.70 to \$2.00 and North Las Vegas would presumably be somewhere over \$2.00, maybe nearing \$2.50.

I would certainly agree with Mr. Leavitt that any major annexation of the strip would be disastrous to the urban towns. The point that hasn't been made clear is that the problem is that as the base goes down, expenditures of given entities will not necessarily go down comensurate with with the revenue loss. That is really the problem we are talking about. They don't necessarily match each other. If we lose a commercial property what we are really telling you is that we don't think our spending is going to be able to go down as much. We still will have service demands that will be larger than the offset revenue loss.

Mr. Dini: What you are saying is that in the redistribution of the half cent sales tax, the cities split it, the county doesn't get any of it? It is split among the cities on a population basis. If the City of Las Vegas gained in population, the other three cities would lose money.

Mr. Pine: There would be that potential and the other argument I am really raising is that here you would have county trying to provide urban services and if we had revenue loss, we still would not pick up anything there, there would be no offset under that half cent share and I do think it could affect the distributions, but it all depends on how much population is picked up in a particular place. It would have an impact across the board in a number of entities.

Mr. Dini: Dan said you were a city in his testimony. Now you are saying you are a county.

Mr. Pine: What we are saying is that the city has alluded to the policy statement that, in general, cities are to provide municipal services and counties are to provide regional services. However, you also have on the books and this Legislature has had for some time, under the unincorporated town law, specific provisions for certain kinds of towns to provide urban services. There again, you have a mandate in the statement that it should

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be the policy that these kinds of towns may provide the following services. So we have established by law in this state a particular way for a county, in a particular circumstance through the unincorporated town mechanism, to provide urban services. I think, then, that you have just as much policy on the book that say, yes, counties can provide urban services, or should provide urban services and I don't think it is as simple as saying cities provide municipal services and counties provide regional services. I think Clark County and that situation down there for years is sort of the antithesis of that and you have another policy statement on the books defending that.

Mr. Leavitt: An example was made that if a commercial area leaves the county and comes into the city, it is true, the county will lose some base but the city would not pick up any additional base because the basic CCRT is based on population and unless someone is living in one of those commercial buildings, we wouldn't get any additional population or would it change distribution of that basic CCRT.

Mr. Craddock: It would, however, result in additional revenue if it comes in as a result of the business being in the city, ad valorem, for example, and any other taxes that are normally paid with the operation of the business in a city.

Mr. Greg Millspaugh, resident of Las Vegas, a licensed real estate broker: With my educational background as a basis, I have been studying since 1970 the MX issue. The premise that the MX is coming in and is going to be a cause for us to have need of projecting this kind of population growth and the kind of development and planning, I believe is not substantiated by what is now occurring in Washington, D. C., itself. Even if MX comes in to the state of Nevada, the primary area of population growth as has been testified to here today is not substantiated. The area will be the northeast portion of Nye County, which is closer to White Pine than it is even to Tonopah. On the basis of that, the deployment and the construction areas and where the personnel will be used will be to the north and east in the area of Overton, Moapa and Lincoln County. On that premise, the population growth will not occur in the Tonopah Highway area of Las Vegas, but rather, it will occur in the Nellis Air Force Base area. You will have Nellis Air Force Base for military personnel directly and you will have military contractor personnel. They will increase your population basis in the northeastern quadrant, in the North Las Vegas township and fill in the central portion of North Las Vegas township. But, they are not going to be going all the way over to here where they have to commute fifty miles each day to work at Nellis Air Force Base, from western Las Vegas. It just isn't going to happen. The further

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premise is that the justification for the need for this particular bill is to enable the more orderly solicitation of annexation requests for areas that would fit into a urban population development in this northwestern quadrant. northernmost portion of what is already the City of Las Vegas and was annexed in 1961 to 1964 is not now and never has received any urban services. It is a rural area of residential estates of approximately one-half acre or larger single family residences that are very intensely committed to to maintain that lifestyle. They are not just intense on the matter, they are almost rabid on the matter. The area where in the last decade annexations have taken place in the blue marked area is in the lower southern portion - south of approximately Cheyenne Road. And there, there is a very legitimate serious need for urban services for the linking of sanitation and water lines, with the existing statute on the books, with the prohibitation against solicitations. The area further northwest above Craig (Greg) Road in particular, has a very strong commitment for being a residential estates and by having had a limitation upon an application for water in that area myself I can assure you that if you had the sanitation capabilities to develop on the scale as shown on the map, which are far beyond what could reasonably be expected to happen, there wouldn't be enough water to flush the toilets. Because water does not exist in this area. I had to reduce the intensity of my projected use in a piece of property I was interested in to one residential unit per acre, because the fact is that while land density planning already allows twice that density, the water does not exist in this area to provide for that density. What you are projecting here is to increase that density even greater.

You don't need to change the status quo to provide for that orderly growth. Only the projection and the premise of a qualitative change in this massive region of some ten to fifteen sq. miles, would you have need or justification to changing the status quo of this bill by passing it. And that premise simply, gentlemen, is not substantiated by the facts in the field. You take the risk of unsettling the entire economic base of Clark County and completely unraveling a negotiated settlement that you just now have with the police department, which is going to be one of the primary accomplishments of this session.

Person from audience: The only place that Las Vegas can grow in terms of our expected growth and development is in the west and northwest.

This concluded the testimony on <u>SB-652</u>.

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Mr. Dini: Regarding $\underline{AB-693}$, on Page 5, Section 4, we are changing the date to July 1, 1982. What would the committee like to do with this bill. Mr. Schofield moved an AMEND AND DO PASS, seconded by Mr. Mello. Motion carried.

On $\underline{AB-699}$, Mr. Schofield moved a DO PASS, seconded by Mr. DuBois. Motion carried.

On $\underline{AB-416}$, Mr. Mello moved to INDEFINITELY POSTPONE, seconded by Mr. Jeffrey. Motion carried.

On $\underline{SB-386}$, Mr. DuBois moved a DO PASS, seconded by Mr. Mello. Motion carried.

On $\underline{SB-652}$, Mr. Dini advised that it would be taken under advisement at this time. On Monday morning, we shall have our next committee meeting at 9:00 A.M. at which time we should be ready to take action.

Mr. Dini adjourned the meeting.

Respectfully submitted

Lucille Hill

ASSEMBLY GOVERNMENT AFFAIRS COMMITTEE

GUEST LIST

Date May 23, 1981

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PLEASE PRINT	PLEASE PRINT	I WISH		TO SPEAK	
YOUR NAME	REPRESENTING:	FOR	AGAINST	BILL NO.	
Bill Namman	State Engineer		1	- 692	
Greg Millspaugh.	same			1.8.692	
LBB Grinner	SNEA			699	
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FUNDING FORMULA

OPTION 1

COST FOR POLICE SERVICES DISTRIBUTED BY FUNCTION.

1981-82 BUDGET REQUEST Breakdown By Function

nt	DECT.	COSTS:
\boldsymbol{L}	ILCAL . I	1.1.1.1.1

Uniform	\$17,533,103
Investigative	11,380,226
Detention	9,821,451
Community Services	598,896
Resident Officers	731,486

TOTAL DIRECT COSTS

INDIRECT COSTS:

Administrative Support	\$ 5,138,269
Field Support	6,170,566

TOTAL INDIRECT COSTS 11,308,835

TOTAL COSTS \$51,373,997

\$40,065,162

INDIRECT COST DISTRIBUTION

ADMINISTRATIVE SUPPORT:

FUNCTION	PCT. OF TOTAL	DISTRIBUTION
Uniform	37.9%	\$1,947,405
Investigative	24.6%	1,264,014
Detention	21.2%	1,089,313
Community Services	1.3%	66,797
Resident Officers	1.6%	82,212
Field Support	13.4%	688,528
TOTAL	100.0%	\$5,138,269

FIELD SUPPORT:

:

FUNCTION	PCT. OF TOTAL	DISTRIBUTION
Uniform	60.6%	\$4,156,611
Investigative	39.4%	2,702,483
TOTAL	100.0%	<u>\$6,859,094</u> *

: =

^{*}Includes proportionate distribution of Administrative support.

TOTAL COST

Breakdown By Function

FUNCTION	DIRECT COST	INDIRECT COST	TOTAL COST
Uniform	\$17,533,103	\$ 6,104,016	\$23,637,119
Investigative	11,380,226	3,966,497	15,346,723
Detention	9,821,451	1,089,313	10,910,764
Community Services	598,896	66,797	665,693
Resident Officers	731,486	82,212	813,698
TOTAL BUDGET	\$40,065,162	\$11,308,835	\$51,373,997

COST APPORTIONMENT PLAN

UNIFORM SERVICES:

Factor	City Statistics	City Pct.	County Statistics	County Pct.
Population ¹	164,674	43.8%	211,450	56.2%
Calls for Service ²	69,290	52.4%	62,948	47.6%
Felony Crimes ³	20,837	44.7%	25,753 ⁴	55.3%
Average Percentage		47.0%		53.0%

INVESTIGATIVE SERVICES:

Factor	City Statistics	City Pct.	County Statistics	County Pct.
Felony Crimes ³	20,837	44.3%	26,198	55.7%

COMMUNITY SERVICES:

Factor	City Statistics	City Pct.	County Statistics	County Pct.
Crossing Guard Hrs. ⁵	204	48.3%	218	51.7%

3--Total Part I Crimes plus estimated Non-Part I Felony Crimes.

4--Excludes Felony Crimes for Airport and Resident Officers.

5--Estimated Weekly hours budgeted.

2473 =

¹⁻⁻¹⁹⁸⁰ U.S. Census - County Population excludes Incorporated Cities & Rural Area.

²⁻⁻Excludes calls associated with Felony Crimes. County's calls exclude calls at Airport and Resident Officer program.

COST SHARING PLAN

Function	Total Cost	Cost Sharing Ratio	City Cost	County Cost
Uniform	\$23,637,119	47.0/53.0	\$11,109,446	\$12,527,673
Investigative	15,346,723	44.3/55.7	6,798,598	8,548,125
Community Svcs.	665,693	48.3/51.7	321,530	344,163
Resident Officers	813,698	0/100	-0-	813,698
TOTAL	\$40,463,233		\$18,229,574	\$22,233,659
Percentage Split			45.1%	54.9%

BUDGET DISTRIBUTION

Budget Request:

\$53,399,511

Less: Internally Generated Revenue \$ 3,819,564 *

Detention

10,910,764

14,730,328

TOTAL POLICE SERVICES TO BE DISTRIBUTED

\$38,669,183

City Contribution:

45.1% of \$38,669,183

\$17,439,802

County Contribution:

54.9% of \$38,669,183

\$21,229,381

* Includes both contract services and department generated revenue.

Implementation Method

- .Permissive legislation the governing bodies of each participating entity adopts an ordinance providing for the merger.
- .Withdrawal provision any pariticpating political subdivision may repeal the ordinance after at least six months advance notice, effective the beginning of a fiscal year.

Police Commission/Committee

- .Renamed from "Commission" to "Committee" to be called Metropolitan Police Committee on Fiscal Affairs.
- .Composition consists of two representatives from each participating political subdivision and an additional member selected from nominations by each participating political subdivision and the Sheriff.
- .Meetings will be scheduled quarterly or more often upon call of the chairman.

Role of Sheriff

- .County Sheriff is the chief law enforcement officer of the department.
- . Sheriff is not a member of Fiscal Affairs Committee

Jails

- .The county is fully responsible for the capital cost of building a county jail and the operation and maintenance of it.
- .Each participating political subdivision is responsible for building, operating and maintaining any jail they may have.

Apportionment Plan

- .Exclusions excluded from the apportionment plan are rural programs of resident officers, county jails and any program of contract services which is totally funded by the contracting agency or entity.
- * .Allocate cost by functions the department's budget is divided into functions: Administration, Uniform and Investigative.

Apportionment Plan Cont'd.

<u>Uniform</u> - apportioned by unweighted average of comparative percentage relationship of population, calls for service and felonies reported.

<u>Investigative</u> - apportioned by percentage of felonies reported.

Administrative - allocated to the other categories in the ratio that the cost of each category bears to the combined costs of the other categories.

Property

- Negotiable Notes the department, with approval, may issue negotiable notes to acquire personal property. These are limited to a 5 year term and 12 percent interest.
- .Property for the purpose of law enforcement the department may own personal property and may lease or rent real property.

^{*} The bill contains a provision for an arbitration panel if the government bodies fail to approve the apportionment plan.

Contrary to what you may have heard, the City of Las Vegas is not supporting SB 652 because it desires to annex the lucrative Las Vegas strip and environs. The current annexation law, with the exception of the provision prohibiting the City from soliciting annexation petitions, which is proposed for repeal in SB 652, was enacted in 1967. That provision was not enacted until 1973. Hence, there was a period in excess of 6 years before the enactment of the prohibition in question during which the City, had it chosen to do so, could have instituted proceedings for the annexation of parts of Paradise Valley. No such effort was ever attempted.

One of the reasons the City is favoring the repeal of NRS 268.577 is purely philosophical. The City feels that the "gag order" imposed upon its officials by this provision is offensive if not unconstitutional. My colleagues on the Board of City Commissioners and I resent the fact that we are prohibited from discussing with our constituents or potential constituents a matter of such vital concern to the City as annexation. I am sure that the members of this committee would feel equally as perturbed as we do if some attempt were made to inhibit them from communicating with their constituents or potential constituents.

OF FAR MORE IMPORTANCE, HOWEVER, IS THE PRACTICAL REASON WHY THE CITY ENDORSES SB 652. It is logical to assume that the anticipated growth which will incure to our community with the advent of MX will be concentrated in the northwestern section of the urgan area, both because of the availability of large tracts of relatively inexpensive, undeveloped land and because of its convenience to highways leading to the proposed MX area. If this be the case, the City would be required to provide municipal services to these undeveloped areas, notwithstanding the fact that some of them may be in the county. With the irregular boundaries of the City, as they presently exist, and with the "islands" of unincorporated territory which are completely surrounded by the City, the provision of such services would be rendered far more expensive to the City than necessary.

FOR EXAMPLE, THE COST OF ROUTING A SEWER LINE EXTENSION AROUND THE BOUNDARIES OF AN UNINCORPORATED ISLAND WOULD BE ELIMINATED IF THAT ISLAND WERE INCORPORATED INTO THE CITY AND THE SEWER LINE COULD BE EXTENDED DIRECTLY ACROSS IT. LIKEWISE, THE COST OF ROUTING A SEWER LINE EXTENSION ALONG THE JAGGED CITY BOUNDARIES WOULD BE ELIMINATED IF THOSE BOUNDARIES WERE SQUARED OFF, AND THE SEWER LINE COULD BE EXTENDED IN A STRAIGHT LINE.

As Mr. Dorn has previously pointed out, the City also feels that fire protection in this area would be greatly enhanced if all of these territories were included within the City limits.

THE BOTTOM LINE OF SB 652 IS THAT, IF THE CITY OF LAS VEGAS IS TO BE PERMITTED ANY OPPORTUNITY OF EXPANDING ITS BOUNDARIES AND IF THE LEGISLATIVE PURPOSE OF THE ANNEXATION LAW THAT MUNICIPALITIES ARE CREATED TO PROVIDE THE GOVERNMENTAL SERVICES FOR SOUND URBAN DEVELOPMENT IS TO BE SATISFIED, IT IS MANDATORY THAT IT BE ADOPTED. SB 652, IN AND OF ITSELF, DOES NOT AFFECT THE ANNEXATION OF ANYTHING. IT MERELY SETS IN MOTION AGAIN WHEELS WHICH HAVE BEEN DORMANT SO LONG.

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having a population of 200,000 or more, as determined by the last preceding national census of the Bureau of the Census of the United States Department of Commerce.

(Added to NRS by 1967, 1601; A 1969, 1538; 1979, 790)

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2. Municipalities are created to provide the governmental services essential for sound urban development and for the protection of health, safety and welfare in areas being used for residential, commercial, industrial, institutional and governmental purposes, or in areas undergoing such development.

3. Municipal boundaries should be extended, in accordance with legislative standards, to include such areas and to provide the high quality of governmental services needed therein for the protection of

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 Areas annexed to municipalities in accordance with such uniform legislative standards should receive the services provided by the annex-

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5. Areas annexed to municipalities should include all of the urbanized unincorporated areas adjacent to municipalities, and piecemeal annexation of unincorporated areas should be avoided, securing to residents within the area proposed to be annexed the right of protest.

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268.574 Definitions. As used in NRS 268.570 to 268.608, inclusive:

1. "Contiguous" means either abutting directly on the boundary of the annexing municipality or separated from the boundary thereof by a street, alley, public right of way, creek, river or the right of way of a railroad or other public service corporation, or by lands owned by the annexing municipality, by some other political subdivision of the state or by the State of Nevada.

2. "Lot or parcel" means any tract of land of sufficient size to constitute a legal building lot as determined by the zoning ordinance of the county in which the territory proposed to be annexed is situated. If such county has not enacted a zoning ordinance, the question of what constitutes a building lot shall be determined by reference to the

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(1979)

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5. Areas annexed to municipalities should include all of the urbanized unincorporated areas adjacent to municipalities, and piecemeal annexation of unincorporated areas should be avoided, securing to residents within the area proposed to be annexed the right of protest.

(Added to NRS by 1967, 1601)

268.574 Definitions. As used in NRS 268.570 to 268.608, inclusive:

1. "Contiguous" means either abutting directly on the boundary of the annexing municipality or separated from the boundary thereof by a street, alley, public right of way, creek, river or the right of way of a railroad or other public service corporation, or by lands owned by the annexing municipality, by some other political subdivision of the state or by the State of Nevada.

2. "Lot or parcel" means any tract of land of sufficient size to constitute a legal building lot as determined by the zoning ordinance of the county in which the territory proposed to be annexed is situated. If such county has not enacted a zoning ordinance, the question of what constitutes a building lot shall be determined by reference to the

zoning ordinance of the annexing municipality.

(Added to NRS by 1967, 1601; A 1969, 1538; 1979, 790)

268.570 Applicability of NRS 268.570 to 268.608. [Effective in 1980 when decennial census reported.] The provisions of NRS 268.570 to 268.608, inclusive, apply only to cities located in equnties having a population of 250,000 or more.

(Added to NRS by 1967, 1601; A 1969, 1538; 1979, 526, 790, effec-

tive in 1980 when decennial census reported)

268.572 Legislative declaration. It is hereby declared as a matter of legislative determination that:

1. Sound urban development is essential to the continued economic

development of this state.

2. Municipalities are created to provide the governmental services essential for sound urban development and for the protection of health, safety and welfare in areas being used for residential, commercial, industrial, institutional and governmental purposes, or in areas undergoing such development.

3. Municipal boundaries should be extended, in accordance with legislative standards, to include such areas and to provide the high quality of governmental services needed therein for the protection of

the public health, safety and welfare.

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zoning ordinance of the annexing municipality.

3. "Majority of the property owners" in a territory means the record owners of real property:

(1979)

(Added to NRS by 1967, 1601; A 1969, 1538; 1979, 790)

268.570 Applicability of NRS 268.570 to 268.608. [Effective in 1980 when decennial census reported.] The provisions of NRS 268.570 to 268.608, inclusive, apply only to cities located in counties having a population of 250,000 or more.

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Introduction:

As each of you are well aware, the issue of annexation or consolidation has been a problem debated and deliberated for many years. The most recent annexation attempt by the city of our urban town occurred two years ago with our residents rebuffing the effort by a 2-1 vote. With such a lopsided loss we thought this issue was dead -- at least for several years. But here we are again trying to protect the residents of our urban towns from piecemeal annexation.

The Clark County/Las Vegas situation is unique in Nevada. We are not talking about a city with small but growing urban pockets on its boundaries needing the extension of urban services. What confronts us in Clark County is two large urban jurisdictions, of approximately the same size, side by side, both receiving the full range of urban services. There is only one fundamental difference, one is governed by the city and the other by the board of county commissioners with imput from our town advisory boards.

The fact of the matter is that the towns of Winchester, Paradise, Spring Valley, Sunrise Manor, and East Las Vegas incorporate the largest urban population of the state or 1/5 of the state's total population. The town of Paradise alone has an assessed valuation equal to the city of Las Vegas.

When we talk about allowing the city to solicit our residents or commercial property owners for annexation, it would be like asking North Las Vegas how they would feel if Las Vegas solicited their residents or asking the Sparks city council if they want Reno officials handing out annexation petitions in Sparks. This is a spectical that no one would tolerate -- yet this is exactly what is in front of you today in SB 652.

The city has made a number of points on why this repealer is necessary. If we may, we would like to take a few moments to address each.

- 1) One concern expressed by the city of Las

 Vegas is that the ban on solicitation has

 effectively stymied annexation. The facts

 would indicate otherwise:
 - (a) Annexed territory in the last 10 years has provided the city with 12 percent of its total population growth since 1970 (residential population addition of 4,745 individuals).
 - (b) Between 1970 and 1980 the city has annexed almost 5,000 acres or a 13 percent increase in total city acreage (37,905 acres 1980).

The current annexation procedures have allowed the city to grow and systematically expand

municipal services to property owners as it is developed. If residents or developers want the city's services they simply petition for them.

- 2) One argument presented by the city to justify this change in the annexation law is that it wishes to square off its boundaries. We are not exactly sure what is meant by this -- Is a square or rectangular city easier to manage and service than one which is round or oblong?
 - as suggested by their photograph of the northwest section of the city, does this mean there will be no parcels annexed outside this boundary? And if parcels are annexed outside this "squared off boundary", do we have to square off the city boarder again? It would seem that any annexation outside these "squared off boundaries" would be counter productive to the city's desired goal of symetry.
 - (b) Do "islands" of unincorporated county lands cause service problems to the city of Las Vegas? If we take a cursory look at the

map of the northwest part of the city we do find a number of "islands" -- it looks like there may very well be a problem. But let us examine this closer. These "islands" consist of 11,675 acres with only 1,941 acres developed or 16.6% of the total. We are at a loss to explain what municipal service problems are caused by vacant land. The few residential property owners in this area. like their low density development, receive the municipal services they desire, and do not wish to be annexed to the city. For example, the residents of the Lone Mountain road area, one of the "islands" pictured on the map, have made it abundantly clear that they do not wish to be annexed. In essence, our problem with "square boundaries" or "islands" seems only to be one of having a nice looking map.

3) Fire Calls:

The city has presented testimony that fire station

Number 9, in the northwest portion of the city,

services a substantial number of calls from county

residents. This is correct but, unfortunately,

does not demonstrate the entire picture of our

mutual aid alarm responses system wide. The total

number of mutual aid alarms (automatic aid responses)

Vegas over a six month period from November

1, 1980 through April 30, 1981, was 171. The
total number of mutual aid alarms given to the
city of Las Vegas by Clark County over the same
period of time was 194. Clark County assisted
Las Vegas 23 times more (approximately 12%) than
we were assisted by them.

The city uses station Number 9 to prove its case.

We could conversely use our station Number 16,

located at Stewart and Nellis, to demonstrate
the opposite, in that 35% of the alarms at this
station are for residents of the city of Las Vegas.

4) Tax Rates: Urban Service Revenue

This city's intent with this bill may be to assist in the annexation of small parcels of vacant land necessary to eliminate "islands" and square off boundaries. But let us examine the broader based implications of this bill and, very possibly, the real focus of attention.

With the proposed deletion of NRS 268.577, the city would be able to aggressively solicit annexation of our commercial properties. A good portion of our commercial property base, such as the "Strip" or the southside of Sahara, lies contiguous to the city of Las Vegas. With this proposed bill, what is to prevent the city in aggressively soliciting or

petitioning commercial property owners in our unincorporated towns. What is to prevent the city from playing "Let's Make a Deal" with our commercial property owners? We have been shown aerial photographs of vacant or residential land — but should we instead be looking at photographs of resort hotels, shopping centers, etc.? Does anyone here actually believe the city is after the mobile home parks on Boulder highway or the apartment complexes along Sahara.

Our urban town tax rates are low, in large part due to our strong commercial base. There exists a delicate balance of commercial property with residential, especially with the new tax plan and the Metro formula. For example:

(a) Metro funding formula -This new formula bases each participating
entities share on three factors: 1) population,
2) felonies, and 3) calls for service. Let's
assume the city successfully solicits and annexes
a hotel or large shopping center -- the county
will lose a million dollar annual tax base but
will have the same metro formula, as commercial
property has little population, few calls for
service, and few felonies. The only way this
will be made up is raising residential taxes.

The issue of annexation is extremely complex and controversial. Here we are on the 125th day of the session —very possibly only seven days from Sine Die and we are attempting to grapple a problem which has baffled the community for ten years or more. If the city truely wanted the issue of annexation addressed in a timely, responsible manner, AB 366, which was heard in March, was the appropriate vehicle. As you may recall, that was the metes and bounds bill. We were all assured that this was the only change they would pursue, but as with the Metro understanding, it was a promise never kept.

To quickly summarize some of the points made, let

me first underscore the point that when the question of

annexation arises in Clark County, it has to be seen as the

merging of two cities. In order to prevent adverse ramifi
cations to service delivery, all such changes should be addressed

for the whole of the area and not done via piecemeal absorption.

The bottom line is the citizenry of Clark County.

If they were not receiving the services they desired from the county in an efficient and effective manner, the annexation question would not have been trounced 2-1, this room would be packed with vocal residents, and the city would have more petitions for annexation than they could handle.

We respectfully request that SB 652 receive no further consideration this session of the Legislature.

(a) Whose combined value is greater than 50 percent of the total value of real property in the territory, as determined by assessment for taxation; and

(b) Whose combined area is greater than 50 percent of the total area

of the territory, excluding lands held by public bodies.

4. A lot or parcel of land is "used for residential purposes" if it is 5 acres or less in area and contains a habitable dwelling unit of a permanent nature.

(Added to NRS by 1967, 1602; A 1971, 277)

268.576 Procedure for extension of corporate limits. The governing body of any incorporated city, whether incorporated or governed under a general act, special legislative act or special charter enacted, adopted or granted pursuant to either section 1 or section 8 of article 8 of the constitution of the State of Nevada, may extend the corporate limits of such city under the procedures or alternative procedures set forth in NRS 268.570 to 268.608, inclusive.

(Added to NRS by 1967, 1602; A 1979, 790)

268.577 City prohibited from soliciting commencement of annexation proceedings. [Effective until date in 1980 when decennial census reported.

1. No city in a county having a population of 200,000 or more, as determined by the last preceding national census of the Bureau of the Census of the United States Department of Commerce, shall in any manner solicit the commencement of proceedings, or the circulation of any petition for the annexation of any property to such city.

2. Annexation proceedings conducted pursuant to any solicitation

prohibited by subsection 1 are void.

(Added to NRS by 1973, 1586)

268.577 City prohibited from soliciting commencement of annexation proceedings. [Effective in 1980 when decennial census reported.]

1. No city in a county having a population of 250,000 or more shall in any manner solicit the commencement of proceedings, or the circulation of any petition for the annexation of any property to that city.

Annexation proceedings conducted pursuant to any solicitation

prohibited by subsection 1 are void.

(Added to NRS by 1973, 1586; A 1979, 526, effective in 1980 when decennial census reported)

268.578 Pians for extension of services to territory proposed to be annexed; contents of report. Any city exercising authority under NRS 268.570 to 268.608, inclusive, shall make plans for the extension of services to the territory proposed to be annexed and shall, at least 20 days prior to the public hearing provided for in NRS 268.590, prepare and file with the city clerk of such city a report setting forth such plans to provide services to such territory. The report shall include:

9714

(1979)

Exhibit E