

MEMBERS PRESENT: Chairman Dini
Vice Chairman Schofield
Mr. Craddock
Mr. DuBois
Mr. Jeffrey
Mr. May
Mr. Mello
Mr. Polish
Mr. Prengaman
Mr. Nicholas
Mr. Redelsperger

GUESTS PRESENT: Joyce Woodhouse, Nev. State Ed. Assoc.
Joe Fisher, Nev. State Ed. Assoc.
Don Johnson, Town of Garderville
G. P. Etcheverry, Nev. League of Cities

Chairman Dini called the meeting to order at 9:05 A.M. Mr. Dini announced that AB 703 had been withdrawn. He said we would now discuss AB 702.

The first testifier was Assemblyman Robinson, Clark County, Assembly District 8. Mr. Robinson: Assembly Bill 702 has an interesting history. It was requested before the session began and came out of the interim study on the effects of tax relief of Senate Bill 204 of the last session. One of the problems that Senate Bill 204 had created was the accumulation of funds in the unincorporated towns which they were not allowed to spend because of capping and some other technicality in the bill and the county was not allowed to obtain the control of the funds so they could spend them. As I understand it, millions of dollars were tied up in the unincorporated towns in Clark County. This bill was originally designed to try to free those funds. However, with the change in the tax bill and the repeal of the provisions of Senate Bill 204, that problem has been solved. It was only recently, in fact, just very recently, that the application of this particular bill became of any importance. As it reads, it would eliminate all unincorporated towns in Clark County. AB 702 was designed to correct an anomaly in the statutory provisions relating to urban cities and towns. I want to point out from the outset that AB 702 was not intended to apply to any other townships other than counties of more than 250,000. The bill will need an amendment. The last portion of the bill repeals 269.500 to 269.625 which are the sections of the statutes on Unincorporated Towns. We have had some other Unincorporated Towns adopt ordinances in the smaller counties since this section was placed into law in 1975. The ordinances that were placed in there, Mr. Dayton tells me, were probably done in error. They didn't need to use these sections of the law. Since they have, then the solution is that we cannot go back and give them a big mess of trouble. The repealer in the bill will be to eliminate subsection 1 of 269.530 which is the applicability of the Unincorporated Town Government Law and that section says the provisions of the unincorporated town and government law

apply to (1) to each unincorporated town and any county having a population of 250,000 or more or to each unincorporated town, subsection 2 upon the passages of ordinances. By repealing subsection I, we would leave in entire Unincorporated Town Government Law in effect but only applying to counties of less than 250,000 people.

Mr. Dini: Dr. Robinson, has it affected any in your opinion that SB 204 is no longer in existence, it has been repealed by the tax plan.

Dr. Robinson: Yes, to the extent that the intent of the bill as it was drafted in the beginning would be to solve those problems of monies that were tied up and not being allowed to be used. Since those provisions have been deleted it would relieve that necessity. Now we find a new reason for passage of the bill.

Mr. Dini: Is there a lot of money buried in the unincorporated towns in Clark County?

Dr. Robinson: It was my understanding in the testimony that we had in the interim study that there was considerable amount of money that was tied up by the unincorporated towns that they could not spend. If they solved that problem that would be a relief and I know the county is probably very happy and I don't know if the money went to the county or back to the state or where it went. See EXHIBIT A for some more of Dr. Robinson's testimony.

I understand that just yesterday the Supreme Court upheld the differentiation in counties by the constitutionality of using the premise of over 250,000 or using population basis as special treatment of special situations in counties varying in size if the purpose of the thing like Metro Police Department is one that is of necessity for the area. The Metro case was just decided yesterday. In this particular case Clark County is and has been in effect running that type of government that would in almost any other place in the country be deemed to be those duties, obligations of a municipal government. Through the use of the unincorporated towns, the- have created another layer which still requires their direct supervision. In my opinion, if they are going to run the urban area type of government, they might as well be doing it directly without having to have the barrier of a town board and all the other things that go with it between them and the people that they are serving. The effectiveness of county government to run urban affairs has been pretty well demonstrated in a good portion of Clark County. It has a failure to demonstrate the ability to provide fire services in a number of areas of Clark County and I think that probably is the reason we see the request for the annexation bill that you recently heard which would allow Henderson, Boulder City, North Las Vegas and Las Vegas, in particular, to try

to tidy up their city boundaries and bring into the city those areas that need closer supervision of the municipal government.

Mr. May: If this were enacted, does it mean that North Las Vegas would go out and solicit Sunrise Meadows for annexation?

Dr. Robinson: I understand there was an amendment to the annexation bill that would prohibit that. If the amendment that you proposed on the annexation bill fails to pass the floor and this bill were to pass, it would simplify, I think, the Clark County government being able to manage the affairs of all those urban areas without having the unincorporated town boards, etc., involved. For practical purposes, the county commission is in direct supervision of all of those anyway. They essentially control it.

Mr. Craddock: Dr. Robinson, have you ever attended a town board meeting at Sunrise Manor?

Dr. Robinson: No, I have never been to Sunrise Manor.

Mr. Craddock: Are you familiar with the effort they put forth?

Dr. Robinson: Every decision that the town board makes has to be ratified by the county. Since the commissioner appoints the members of the town board they appoint people who are philosophically in the same ball park that they are in making decisions. They get a lot of work done, however, I think the same work could probably be done by the county zoning. . .

Mr. Jeffrey: In the unincorporated towns I represent, there are several in my district, those people are elected to office and to my knowledge there hasn't been a time that I have been in office they had informal elections where the county commission has ever reversed a decision. One of my concerns is what kind of effect would this have on Jene, Mesquite, Searchlight, those other unincorporated towns that I represent.

Dr. Robinson: I think county government would probably manage their affairs. City of Las Vegas for instance is fairly near the same size as Clark County and probably about exactly the same size as the urban area of Clark County. City of Las Vegas has different Advisory Boards. City commissioners have had no difficulty with their zoning and building departments, etc., in cities much bigger than Las Vegas and they manage to get along quite well.

Mr. Jeffrey: Have you done any research on what this would do to the other incorporated cities in Clark County if we were to pass this bill and they were annexed with the city of Las Vegas.

Dr. Robinson: Incorporated towns? I don't know of any incorporated city that would be annexed.

Mr. Jeffrey: I am not talking about the annexation of incorporated cities, I am talking about what is going to happen to the tax base if, say, Winchester or Paradise were annexed to Las Vegas. It would probably cut Henderson's budget about 30% of what it is now.

Dr. Robinson: I don't know how much money Henderson derives from Clark County.

Mr. Jeffrey: They don't derive anything directly from Clark County but all this population returns taxes, cigarette sales, liquor, etc. Any population shift of any size has a direct impact on all the other incorporated cities in Clark County, because both taxes are returned on a population basis.

Dr. Robinson: I think you are assuming that this only applies to Las Vegas. Henderson also would be expanding their tax base by being allowed to annex. North Las Vegas would expand theirs. Of course you have to weigh each with each. As Henderson moves toward the Los Angeles highway, toward the freeway, for instance, you would probably pick up a great amount of property in that, including even part of the strip.

Mr. May: The supplementary city-county relief tax is now dispensed on the basis of ad valorem as opposed to the population trend and the tremendous ad valorem revenues that would shift from Winchester and/or Paradise or a combination of those two into the city of Las Vegas, which Mr. Jeffrey pointed out, would completely disrupt the financial structure for the smaller cities in Clark County. Even though they might not get a great deal of population, they would get a tremendous amount of ad valorem.

Dr. Robinson: Again, you are going on the assumption that Las Vegas is the only city that might be annexed. I don't believe that this committee has passed any law that allows any of the cities to go out and grab off property without permission of the people that are there. Of course, that isn't the intent of this. The intent of this is to allow the freedom of the county to go into direct urban government instead of having to go through intermittent level of government. You are assuming that the strip, specifically, would want to come into the city of Las Vegas. If you recall, we put it to a vote of the people out there four years ago and they said 'no'. So, I think even if Henderson, North Las Vegas, Las Vegas are allowed to go out and proselytize those people, it doesn't mean that they are going to be able to talk them into doing it. I think that they would have to take a real close look at any tax benefits that they might have from it or detrimental tax benefits, in certain cases. They would have to

be paying more taxes than they are paying in the county, so it would be more attractive for them to stay in the county.

Mr. May: As you are well aware, SJR 26 of this session proposes to amend the constitution of Nevada to permit varied forms of county government which is in negotiations now between the two Houses.

Dr. Robinson: It came about because of the consolidation effort in Las Vegas where people didn't want a consolidated form of government, although we had a perfect example here in Carson with the city and county merging. That seemed to hold up constitutionally. Yesterday, the Supreme Court said that those consolidated things like Metro which are in the interest of the public, can be made on a differentiation based on population. I don't know if that reverses the one on the fire department or not. It would seem that if they made another effort to consolidate the fire department, using the history of Metro, that might now be constitutional. That would solve a lot of the problem out in the area of North Las Vegas and the western part of Las Vegas where fire services are being provided by the city of Las Vegas, roughly 40%, or so. The fire services in the county are there. I don't know the exact figure. I know the taxpayers or the citizens of the city of Las Vegas are paying a considerable amount each year to provide fire service to the county area.

Mr. Craddock: We have heard a lot of testimony on that and the best information seems to indicate that 50,000 fire service calls are going into the city of Las Vegas.

Mr. Craddock: We are also painfully familiar with the CCRT's (city, county relief tax) which has developed in the county area exclusively for the expansion of the cities. We are not necessarily convinced that the city is subsidizing the county. Have you talked with any county commissioners or any of the town board people as relates to their functions that would like to see this bill passed?

Dr. Robinson: No, I submitted this bill to the lobbyist from the county in the first week of the session to examine to see if it did solve the problem that they were concerned about in the congested funds that were stuck in those townships. I have received some favorable comment.

This concluded the testimony in favor of the bill.

Senator Ford, Clark County, District 3: I feel that in the essence of balanced government for the next two years, I would hate to see something like AB 702 be given any serious consideration. I was a member of the interim committee between 1973 and 1975 that developed the legislation that this bill would repeal. If you will recall in 1975 we looked at the unincorporated town law with the idea of giving a mechanism for people who have a voice in these areas where we did not have full-blown cities. We attempted to apply it to areas all over the state and ran into some problems in some of the rural communities where it was felt we were trying to do away with their long standing traditions. We only applied the law to Clark County and let any other areas apply it if they wished. Some have chosen to do that. In Clark County, its very true that if this were to pass, the rural towns would have to go as well as the urban towns. The rural towns find the town boards to be extremely helpful in giving them a chance to have a voice in government; a good liason between the county and the people. In the urban towns, I would agree that the town boards are not that effective. However, to do away with the towns would simply be disasterous in terms of the entire tax plan, the entire system of government as we have it in Clark County. At this point of the session, I think that is not wise. Also, you heard testimony last week from both the city and the county supporting the Metro bill which you did pass out. That was based upon the balance and basic structure of government as it exists today. To make any drastic change would disrupt funding and the application of that formula to the city and the county.

Mr. Dan Fitzpatrick, representing Clark County. The board of County Commissioners strongly opposes AB 702. Assemblyman Robinson did approach us early in the session with this bill as a possible solution to some of the concerns expressed with funding problems in S.B. 204. As you recall, some of the gaming money was going into our towns and our towns could not spend this. Since the new tax package, eliminating 204, this bill is no longer necessary. Again, we would request the committee to give no further consideration to AB 702, as it really doesn't address the particular problem that was designed in the first place.

Mr. Bill Curran, County Council, Clark County: One of the problems is that some of the towns have undertaken debt and the bill makes no provision whatsoever for what would be done with the short term finance debt that is presently in place. It is a problem that perhaps could be solved with appropriate legislation but it would certainly take some time. On the other side of the problem, the towns do own property both real property and, in some cases, parks.

There is no thought given to the ownership of that property. We think the bill has some very serious defects and simply that it doesn't deal with transition. My comments, of course, are strictly technical and go beyond our general policy objections.

Dr. Robinson: As near as I can see it, the bill would just ease the problem of annexations. As originally intended it would have resolved the problems of the caps under Senate Bill 204. I should point out some of the other problems that would exist with the bill. The options that the non-existing towns would have if the bill were to pass would be that those who are contiguous to any of the incorporated cities could be annexed, pay their city tax in addition to their general county tax, and then, receive the city services and benefits that they would ordinarily get in the city. The other one is they could all incorporate by petition. There was a lot of discussion there among certain organizations and some of the town boards about incorporating by petition. I don't think there is anything that could stop them. They could also incorporate by charter and the legislature could stop them, but I don't know how you would stop them incorporating by petition.

Mr. Dini: We passed a law early in the session that there would be no newly incorporated cities in the next two years.

Dr. Robinson: The third alternative that I addressed is they just have no identity as part of the urban area of the county government. The problem of duplicating the services that we talked about earlier, which reduces existing city share of the city county relief tax, is under litigation. There is the potential danger that the services they are receiving in those unincorporated towns might disintegrate. The bill would have to provide for those contingencies. Little towns like Moapa and Bunkerville, by losing their unincorporated city status, could provide services like fire and by forming special tax districts that are allowed by other provisions of law.

Mr. Bob Sullivan: I would like to reaffirm the testimony made by Dr. Robinson that there are some governmental units in the rural areas that fall within the effect of the bill. Gardnerville is one of them. We have material here from their incorporation that verifies that.

Mr. Don Johnson, Director of Public Services, Gardnerville: NRS Section 4, the bottom part of the bill 269.500 to 269.625, inclusive, is repealed. The town of Gardnerville and Minden were established by an ordinance under that particular section. We oppose this bill 100%.

This concludes the testimony on AB 702.

Mr. Mello moved for indefinite postponement on AB 703.
Mr. Nicholas seconded the motion. Motion carried.

It was moved that no further consideration would be taken on AB 584 by Mr. Mello. Mr. Jeffrey seconded it. Motion carried.

Mr. Jeffrey indicated that he received the amendments on AB 400 which appear to be in order. The only question he had is on they removed the language on page 1, line 19 through 22 and when they did that they removed the language on lines 21 through 22 they also removed the language from 19 to 21 that says ... "within 30 days after the order has been served or mailed, an aggrieved party may appeal from the decision of the hearing officer to the board.

Mr. Dini: They don't appeal to the board, they appeal to the court. We took the step out of there.

Mr. Jeffrey: I have to go along in my book that we are only removing the language on lines 21 and 22... "If no appeal is taken within 30 days, the decision of hearing officer is final." I guess it could all come out. Otherwise it seems to be all right.

Mr. Dini asked if there was a motion on AB 400. Mr. Jeffrey moved Amend & Do Pass on AB 400. Mr. Redelsperger seconded. Motion carried.

Mr. Jeffrey said that we should run through some of the changes because there wasn't a subcommittee. What we did, for some of the smaller entities, where there was a concern that they wouldn't want to use an arbitrator because of the expense we provided that they could use the state hearing officer as long as it was with mutual consent of both parties. In the cases that could be resolved by the hearing officer they could do that as a nominal cost if both parties don't agree to do that then it is up to the parties involved to decide if they want to spend the money for an arbitrator, and arbitration is an expensive process. We took the appeals out and took the board out and went directly to the hearing officer with the amendment provided in the language throughout all of those sections includes the hearing officer or arbitrator.

Mr. Dini said next they would discuss AB 663. I appointed a subcommittee on AB 663 and Mr. Mello was chairman. This was on the Virginia City Historic District thing and it was very highly technical area and I would like to have the approval of the committee to have a one man committee to continue on it.

Mr. Mello said he wanted to elaborate on that, I am working with fiscal analysts. I am working with two of them and neither one of those can get together. There are fees that are being collected but we can't find out how they are collecting them by statute. If we change the fee structure, whatever that structure is, it relates to the budget and that means that they would have to reopen the budget if we change that. I want to change it to where any additional fees that are collected could go to the restoration of the Fourth Ward School. If they could earmark that then those monies would be just for that project only and would not relate to the budget. It is a very technical thing, they never really looked into this before and they can't get a lot of answers. I am also working with legal to come up with some other languages in the bill in regard to the appeals to the citizens of the board and trying to word it where one particular individual can be appointed, let's say by the governor, to serve as chairman without a vote. With the technical expertise in the area of historical restoration and we do have that individual, his name is Don Fowler, he appeared before us and he could serve as a chairman on there to advise these people that to vote of appeals.

AB 477 and AB 525, Mr. Schofield moved for an Indefinite Postponement. Mr. Mello seconded. Motion carried.

Mr. Dini stated now that SB 488 was taken care of he would like to move SB 663 out. We heard the testimony the other day on the airports Clark County bill.

Mr. Pine: Mr. Chairman, I would like to make one comment on that before you act on the measure. When this bill was originally in the Senate, at that time SB 488 had a provision that there would be no interest rate ceiling. There was a clause in the original print of the bill that essentially provided that this measure would be exempt from interest rates. Senator Gibson asked if we had any objection in removing that clause because of his presumption at that time as there would be no ceiling. Now that 488 has a ceiling again I would like to request that the clause in the original bill rather than the first re-print be reinserted. As you may recall in my testimony, this applies only to revenues that are non property tax revenues so that any property tax revenues would still be subject to provisions of SB 488 but this particular situation would be exempt from an interest rate ceiling. The reason for that is that the land acquisition that we may undertake on this the interest rates will probably exceed even the ceiling that is proposed in SB 488. I would simply request that if you do pass the bill you pass it in the form that the bill was originally printed rather than the first re-print.

Mr. Polish made a motion for a Do Pass on AB 663, seconded by Mr. May. Motion carried.

Mr. Dini assigned the following subcommittees:

Mr. Prengaman - SB 22

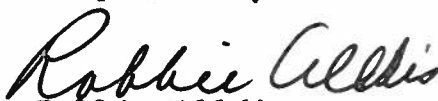
Mr. Polish - SB 655

Mr. DuBois - SB 681

Mr. Nicholas - SJR 33

Meeting adjourned at 9:55 A.M.

Respectfully submitted,



Robbie Alldis
Assembly Attache

AB 702 was designed to correct an anomaly in the statutory provisions relating to urban cities and towns. Let me point out at the outset that AB 702 repeals the provisions of NRS 269.500 to 269.625, the Unincorporated Town Government Law which applies to towns in counties of more than 250,000. All NRS provisions related to unincorporated towns in the rural counties of the state are unaffected by this bill.

I don't want to sound picky, but the point of AB 702 really has to do with the philosophy of government. Historically, state legislatures throughout the country, ours included, have structured local governments in such a way that cities provide urban services and counties provide regional services and the lower level of services needed by non-urban areas. The anomaly in Nevada law is the Unincorporated Town Government Law which gives us yet another governmental structure for providing services to residents who reside in urban areas. NRS 260.575 outlines town services; a look at the list reveals such basic services as streets, sewage collection, parks and recreation and water distribution, all characteristic of the role of cities.

That these urban unincorporated towns should be providing basic services is in direct contradiction of the legislative declaration this body stated as policy in 1957 in NRS 268.572, namely that "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 and governmental purposes, or in areas undergoing such development."

The governmental structure as it exists in Clark County is one of duplication of services at the taxpayers' expense. The area has not developed under the procedures this legislature has outlined for "sound urban development," the concept of urban unincorporated towns is antiquated, and AB 702 is designed to correct this situation.

Repeal
269.530
Sec. 1