

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON GOVERNMENT AFFAIRS

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
February 16, 1981

The Senate Committee on Government Affairs was called to order by Chairman James I. Gibson, at 2:00 p.m., Monday, February 16, 1981, in Room 243 of the Legislative Building, Carson City, Nevada. There was no Meeting Agenda. Exhibit A is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator James I. Gibson, Chairman
Senator Jean Ford, Vice Chairman
Senator Keith Ashworth
Senator Gene Echols
Senator James N. Kosinski
Senator Sue Wagner

COMMITTEE MEMBERS ABSENT:

Senator Virgil Getto (Excused)

STAFF MEMBERS PRESENT:

Andrew P. Grose, Research Director
Anne L. Lage, Committee Secretary

ASSEMBLY BILL NO. 163

Removes limits on interest to be paid by Las Vegas Valley Water District.

Chairman Gibson informed the committee that they would hear Assembly Bill No. 163 today as it was urgent that it be acted on as soon as possible.

Mr. Donald L. Paff, General Manager and Secretary of the Las Vegas Valley Water District testified that he was requesting action toward the removal of the current 9 percent limitation on their General Obligation Bonds, Revenue Bonds and Assessment District Bonds. See Exhibit B.

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
February 16, 1981

The committee agreed that a policy decision on this issue should not be made at the present time. Senator Kosinski suggested providing a stipulated rate of interest that would take care of their immediate needs, and then handle the bill later after a broader policy decision had been made. The bill could then be amended to conform to that decision.

Mr. Paff testified that the total amount of this bond would be \$127,300 and be over a ten year period.

Chairman Gibson stated that he felt it would be best to restrict this bill to this particular bond for this emergency. Before any policy decision should be made on the question of removing limits on interest rates, Chairman Gibson indicated that the committee should hear from experts in this area.

Chairman Gibson noted that an enactment clause had not been included in this bill. The committee decided to delete section 1 and section 4. In section 2 and 3 the rates were set at 12 percent. It will go into effect on passage and approval.

Senator Echols moved "Amend and Do Pass" on Assembly Bill No. 163.

Senator Ashworth seconded the motion.

The motion carried unanimously.

Chairman Gibson directed Senator K. Ashworth to accompany Mr. Paff to the bill drafter to expedite action on this bill.

REAPPORTIONMENT

Mr. Andrew P. Grose, Research Director, brought the committee up-to-date on work which has been done on reapportionment while awaiting the official census figures. See Exhibit C. Chairman Gibson requested that Mr. Grose research all court case decisions related to reapportionment disparity up to the present time.

Senator Gibson stated that if one Senate seat was added, it would go to Clark County which would necessitate increasing

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
February 16, 1981

the Assembly by two members. Senate seats would be distributed in this manner: Clark-12, Washoe-5 and small counties would have 4.

The committee came to agreement on the following initial instructions:

1. Try to work toward a goal of single seat elections in the Senate throughout the state.
2. The number of Assembly seats should be evenly divisible by the number of Senate seats (2-1), using twenty-one (21) Senate seats and forty-two (42) Assembly seats as the recommended numbers.
3. Attempt to maintain political boundaries, then check disparities to see if it is necessary to cross county lines. (This was not to be a high priority item.)
4. Attempt to preserve the Black districts.

Senator Ford moved that the committee adopt the above mentioned guidelines.

Senator Kosinski seconded the motion.

The motion carried unanimously.

Respectively submitted by:

Anne L. Lage
Anne L. Lage, Secretary

APPROVED BY:

James I. Gibson
Senator James I. Gibson, Chairman

DATE: 2/18/81

TESTIMONY OF DONALD L. PAFF
BEFORE THE
SENATE GOVERNMENT AFFAIRS COMMITTEE
ON AB 163
FEBRUARY 16, 1981

EXHIBIT B

MY NAME IS DONALD L. PAFF. I AM THE GENERAL MANAGER AND SECRETARY OF THE LAS VEGAS VALLEY WATER DISTRICT. I AM HERE TODAY TO REQUEST AND SUPPORT YOUR EARLIEST POSSIBLE ACTION TOWARD THE REMOVAL OF THE CURRENT 9 PERCENT LIMITATION ON OUR GENERAL OBLIGATION BONDS, OUR REVENUE BONDS AND OUR ASSESSMENT DISTRICT BONDS. SPECIFICALLY, THERE IS A REAL EMERGENCY AS TO THE ASSESSMENT DISTRICT BONDS. RECEIPT OF BOND BIDS FOR ASSESSMENT DISTRICT No. 24 ARE SCHEDULED TO BE RECEIVED ON FEBRUARY 18, TWO DAYS FROM NOW. OUR EXPERIENCE, PLUS DIRECT CONTACT WITH POTENTIAL BOND BUYERS, CLEARLY INDICATE NO BIDS WILL BE RECEIVED IF THE 9 PERCENT LIMITATION PREVAILS ON AND FOLLOWING FEBRUARY 18.

SUPPORT OF OUR POSITION IN THIS MATTER COMES FROM OUR EXPERIENCE WHEREIN WE DID NOT RECEIVE BIDS ON \$9-MILLION OF BONDS IN OCTOBER 1980, EVEN WITH A BOND RATING OF A-1 WHICH IS THE SAME AS THE STATE OF NEVADA. SINCE THAT TIME, AS YOU WELL KNOW, THERE HAS BEEN A FURTHER DETERIORATION OF THE BOND MARKET AS EVIDENCED BY THE CURRENT EXTREMELY HIGH BANK PRIME RATE.

THE ASSESSMENT DISTRICT UNDERWAY AND THE AREA INVOLVED IS A SMALL PRIVATE WATER ASSOCIATION WHOSE FACILITIES HAVE FAILED, AND THE ASSOCIATION AND ITS MEMBERS SOLICITED THE LAS VEGAS VALLEY WATER DISTRICT FOR AN ASSESSMENT DISTRICT. APPROXIMATELY 57 RESIDENTS ARE INVOLVED WHO ARE NOW RECEIVING SERVICE THROUGH A 2-INCH TEMPORARY EMERGENCY CONNECTION. SUCH A SERVICE IS INDEED TEMPORARY, IN NO WAY

CONFORMS TO THAT WHICH WOULD BE SUITABLE FOR DOMESTIC AND FIRE PROTECTION IN THE AREA.

IN THE PROCESS OF PREPARING THE ASSESSMENT DISTRICT, WE HAVE DESIGNED A SYSTEM AND HAVE RECEIVED COMPETITIVE CONSTRUCTION BIDS FOR THE CONSTRUCTION OF THE FACILITIES TO SERVE THESE RESIDENTS. THESE BIDS ARE EXTREMELY FAVORABLE TO THE RESIDENTS AS EVIDENCED BY THE LOW BID OF \$72,913, THE NEXT BID OF \$108,500, AND THE HIGH BID OF \$209,503. SHOULD WE NOT BE ABLE TO ISSUE BONDS WITH THE 9 PERCENT LIMIT WHICH IS QUITE LIKELY, WE WOULD LOSE THE VERY FAVORABLE CONSTRUCTION BID AND A REBID, NO DOUBT, WOULD BE HIGHER, POSSIBLY ON THE ORDER OF \$30,000 OR MORE AND THE RESULT WILL MEAN A HIGHER ASSESSMENT FOR EACH OF THE PROPERTIES IN THE ASSESSMENT DISTRICT.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, YOUR ASSISTANCE IN FAST ACTION ON THIS BILL WILL HAVE A FAVORABLE IMMEDIATE IMPACT ON THE RESIDENTS WITHIN THIS PROPOSED ASSESSMENT DISTRICT AND, MOST ASSUREDLY, WILL ALLOW THE RESIDENTS TO USE THE ASSESSMENT DISTRICT PROVISIONS OF THE WATER DISTRICT ACT TO ACQUIRE PROPER RELIABLE WATER SERVICE.

PARENTHETICALLY, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, THE ASSOCIATION'S SOURCE WAS A WELL. THE ABANDONMENT OF THE WELL AND SEEKING SERVICE FROM THE WATER DISTRICT IS TOTALLY CONSISTENT WITH AND HAS BEEN ENCOURAGED BY THE LEGISLATURE TO ASSIST IN REDUCING THE OVERDRAFTING OF THE GROUNDWATER BASIN. THUS, YOUR FAVORABLE ACTION AND MOST SWIFT ACTION ON THIS LEGISLATION WILL ASSIST NOT ONLY THE IMMEDIATE FINANCIAL REQUIREMENTS OF THE RESIDENTS, BUT BE CONSISTENT WITH PROPER RESOURCE MANAGEMENT.

THANK YOU, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. I WOULD BE PLEASED TO ANSWER ANY QUESTIONS YOU MAY HAVE.

REAPPORTIONMENT UPDATE

EXHIBIT C

No. 1 Research Division February 16, 1981

Editor's Note: This is the first issue of what is intended as a weekly newsletter to all Nevada legislators on the progress of reapportionment. It will report on what the senate government affairs committee and the assembly elections committee have done in the previous week related to reapportionment and other news on this topic of interest to every legislator. Individual legislators who have questions about reapportionment that may be of general interest should address them to the research division so we can answer them in the newsletter.

1-1 THE EFFECT OF REAPPORTIONMENT ON SENATE TERMS

There has been some confusion in discussions with individuals and groups about the effect of reapportionment upon senators with 2 more years to run on their terms. The confusion has come about because legislators can remember two different situations and, until now, no real research was done on the subject. Some legislators remember all senate seats being open after reapportionment. After the election, straws were drawn by the winners to determine which would serve 2 year terms and which 4 year terms. This memory dates from the 1965 reapportionment. After the 1966 election, all senators elected went to the secretary of state's office and straws were drawn in three groups: Clark's eight senators, Washoe's six senators and the six senators in the balance of the state. Within each group, half drew 4 year terms and half 2 year terms.

In 1971, the drawing of straws was not required because there was no explosion of senate seats as there had been in 1965. Clark grew from eight to 11. Washoe declined from six to five and the balance from six to four. The situation in 1971, regarding the new senate districts and the locations of the incumbent senators who had been elected in 1970, made it possible to continue the terms of all but one. The Elko County senator had been elected in 1970, but had to stand again in 1972. Also, in Clark senate district 2 (North Las Vegas), one incumbent had to run for a 2 year term but the incumbent had been appointed to serve out another senator's term so the only elected incumbent to have his term cut short in 1971 was Senator Monroe of Elko.

If the multi-member senate districts in Clark and Washoe counties are reduced to single member districts, the terms of senators elected in 1980 would be able to run until 1984 so long as it was possible to not have two of them in the same district. If the current districts are reduced to two member districts, the terms of senators elected in 1980 could run 4 years as long as the 1984 senator ends up with the other incumbent who is due to run in 1982 or with no other incumbent.

In short, there is no legal requirement to cut short a current 4 year senate term if the final reapportionment plan can manage to draw districts that prevent the grouping of two or more incumbents elected in 1980.

1-2

CENSUS MAPS

On February 5, the first of the official census maps were received. This first group contained most of the rural counties, most of Washoe County, including all of the urban area, and the rural part of Clark County. The department of transportation is transferring the census district information from the census maps to our locally prepared base map. They are doing this only for the Reno-Sparks area. When the Clark urban maps come, they will do the same. When this information is transferred, our personnel will input all the urban census districts by coordinates into the state computer. This process will make possible the use of a graphics plotter to draw maps after the actual population data arrives and the computer begins to generate plans for the two major urban areas.

1-3

CENSUS DATA

We still expect to receive a tape with Nevada's census data around March 1. If the rest of the maps arrive within the week, and we get them input into the computer within a 2 week period, we should be ready to generate plans by mid-March. That is no guarantee but rather a possibility.

The receipt of the maps for the urban part of Washoe County has raised a problem. The census tape will provide data for urban areas by block, block group and tract. The block averages 100-125. The tract averages 6,000-7,000. In between is the block group. It was supposed to average 800 to 1,000. Instead, they are likely to average 2,500. These may be too large for the flexibility needed to allow the population equality required. If that is the case, we may have to subdivide the block groups from the census into two or three sub-groups. We hope this will not add too much time to the process.

1-4

DIRECTIONS TO STAFF

Thus far the assembly elections committee has addressed several policy questions. They have directed staff to work on 40, 42 and 44 member plans for the assembly. They have said these are to be single member plans initially, but there was no specific decision about an ultimate commitment to single member districts. They also directed that both east-west and north-south plans be run for the two Congressional districts.

The senate government affairs committee is scheduled for a policy discussion session at 1:30 p.m. on February 16.

Both committees have requested that staff prepare 1980 population figures on existing districts as soon as the data is available. In other words, both want to start from current districts if that is possible.

APG/lp