

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON GOVERNMENT AFFAIRS

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
April 29, 1981

The Senate Committee on Government Affairs was called to order by Chairman James I. Gibson, at 2:10 p.m., Wednesday, April 29, 1981, in Room 243 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

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

COMMITTEE MEMBER ABSENT

Senator Virgil Getto (Excused)

GUEST LEGISLATORS:

Assemblyman Robert Rusk  
Assemblywoman Peggy Westall

STAFF MEMBER PRESENT:

Anne Lage, Committee Secretary

SENATE BILL NO. 531

Removes prohibition against state employees taking accrued sick leave during first 6 months of employment.

Mr. Bob Gagnier, Executive Director State of Nevada Employees Association, testified that this bill would delete language placed in the law two years ago. Mr. Gagnier indicated that after extensive negotiations with the state administration, in an effort to arrive at an equitable compensation package and still stay within the presidential guidelines, this benefit was given up. During the past two years this has created a hardship on probationary employees, thus this bill was introduced to alleviate this problem.

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Mr. Gagnier stated that certain agencies had tried to work around this. Some allow employees to work overtime to make up for sick days which were missed. He felt this was a bad provision and should be removed.

Mr. Jim Wittenberg, State Personnel Division, testified that the Personnel Division believed the statute, as it was now written, was reasonable. They found from surveys that it was a common practice for organizations to withhold sick leave and annual leave for the first six months.

In response to Chairman Gibson's question, Mr. Wittenberg did not remember preparing a fiscal note for this bill. He did estimate that approximately 750 days would be involved at the average rate of \$15,000 a year.

Mr. Gagnier responded by explaining that the state Personnel Division had introduced a bill in the Assembly, Assembly Bill No. 416, which in section 12 contained the exact same language as this bill.

Mr. Wittenberg responded that the bill drafters had made an error on that bill.

Senator Echols moved "Indefinite Postponement" on Senate Bill No. 531.

Senator Keith Ashworth seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 586

Authorizes counties to assist private organizations which provide support to victims of domestic violence.

Senator Wagner testified that she had been with Frank Daykin, Legislative Counsel, in an attempt to resolve this question and also Assembly Bill No. 374. She stated that they were trying to draft an amendment which would take care of both of these bills.

The committee decided to not take any action on this bill until the amendment to Assembly Bill No. 374 was completed.

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SENATE BILL NO. 597

Makes various changes in provisions regarding elections.

Senator Jean Ford testified that this bill was requested by the subcommittee of Senators Kosinski, Getto and Ford.

Senator Ford reviewed this bill for the committee. The first major change was on page 2, line 19, wherein the secretary of state would be notified as to the number of voters in a precinct. The secretary of state had requested this amendment.

On page 2, line 35 "and mailing precinct ballots" was included to clarify that they would also be counted in public.

The provision to have all the polls open at 7 a.m. and close at 7 p.m. was also included to make the times be consistent throughout Nevada.

On page 3, line 16, pollbooks have been included so if there was a contested election, those people who felt they did have a contest would have access to these books.

Section 5 incorporates most of the provisions of Senate Bill No. 6. It deals with tie votes in the general and primary elections.

Section 6 deals with the primary election for the statewide officers.

Section 7 covers contests in the general election in the legislature.

Section 8 requires documents to be filed on the opening day of the legislature rather than the second day after organization. Also included was a provision allowing a contestant to withdraw his statement of contest with the secretary of state assigned to dismiss the contest.

"Election Board" is defined in section 10.

Section 12 provided that the computer be tested to assure it was accurate and had not been tampered with to alter the results. The contents of this test must be kept in a sealed container and were subject to inspection "only by the judge, body or board before whom the election is being contested."

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Senator Ford felt that this section should allow for the parties of the contest to have access to these contents. Also, it was not specified at what point the contents could be inspected during a contest.

Section 13 included the provision that "members of each board must represent all political parties as equally as possible."

Senator Ford indicated that these changes would expedite future contested elections.

Senator Ford explained that Senate Bill No. 236 dealt with the situation that Senator Getto's district was in when they tried to come up with an appointment to take Senator Dodge's seat. Senator Ford distributed two proposed amendments which had been written to clarify this procedure. (See Exhibits C and D.) Senator Ford favored the first proposal.

Senator Ford moved "Amend and Do Pass" on Senate Bill No. 597. Her amendments included questioning whether the reference to subsection 3 on page 2 was necessary. Amending out "on or before the second day" and inserting "the day". Raising the question as to whether the parties to a contest should have access to the materials and whether the repealer was still needed which was in Senate Bill No. 6. Senator Ford suggested placing proposal No. 1 which amended Senate Bill No. 236 within this bill.

Senator Kosinski seconded the motion.

The motion carried unanimously.

Chairman Gibson assigned Senator Ford to get the amendments for this bill.

SENATE BILL NO. 236

Alter procedure for filling vacancy in legislature.

Senator Ford moved "Indefinite Postponement" on Senate Bill No. 236.

Senator Wagner seconded the motion.

The motion carried unanimously.

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SENATE RULE NO. 12

Adds new standing rule which provides procedure for deciding contest of election.

It was decided to re-refer Senate Rule No. 12 to the Committee on Government Affairs.

ASSEMBLY BILL NO. 431

Prohibits filling position in state service with person who has not attained classification assigned to that position.

Assemblywoman Peggy Westall testified that this bill was very similar to a bill she had presented in 1977. This bill would prevent pre-selection of persons to fill positions when they have not attained the given level of the position.

Mr. Gagnier, Executive Director State of Nevada Employees Association, testified that this bill would not prevent hiring trainees for positions that they were not qualified for.

This bill was introduced because the Personnel rule which covered this was being proposed to be eliminated.

Mr. Jim Wittenberg, Personnel Director, testified that there had been a misunderstanding of their attempt to abolish this rule in terms of what they were planning to do. They felt the rule was good and decided to keep it.

Mr. Wittenberg assured the committee that no attempt would be made to amend or appeal the rule as it was now written. Therefore there was no need for this bill.

Senator Echols moved "Indefinite Postponement" on Assembly Bill No. 431.

Senator Kosinski seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 598

Changes procedure by which applicant for building permit requests required report from construction committee.

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Mr. Tony Taormina, Washoe County, testified that this bill would remove the burden from the building inspector of having to make a request for evidence that the applicant's proposed plans meet the deed restrictions.

Senator Keith Ashworth moved "Do Pass" on Senate Bill No. 598.

Senator Echols seconded the motion.

The motion carried unanimously.

Chairman Gibson assigned Senator Wagner to handle this bill on the floor.

ASSEMBLY BILL NO. 145

Permits sale by state of revenue bonds to support industrial development in cities and counties.

Assemblyman Joseph Dini reviewed the bill for the committee. The unique part of the bill would allow the state to get into the issuance of bonds if requested by the local governments who might not have the expertise and ability to issue bonds. Mr. Dini explained that the definition of projects had been expanded to include "commercial" for state bonds. This had not been changed in the definition of projects in the local governments.

Mr. Dini gave an example of how this bill would help the local business people. If the MX came to Tonopah and a local man who had been in business there for a long time wanted to build his own shopping center, rather than having an outside group develop it, he could come to the state and request industrial revenue bonds for that commercial venture. It would be controlled by the Board of Finance and the Department of Commerce.

Mr. Dini stated that the Assembly had passed this bill 40-0.

Chairman Gibson asked if the cities or counties had any control over the project. Mr. Dini stated that if the bonds were issued by the state, the cities or counties would not have any control over the projects.

Senator Ford suggested that some language be included which would make sure that the project was in compliance with local economic plans or master plans. Mr. Dini agreed that this was a good suggestion.

Chairman Gibson asked what the term "special limited obligations of the state" meant. Mr. Al McNitt, Housing Administrator, explained that it meant that there was no more obligation than the general obligation revenue bonds.

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Mr. Mike Cool, City of Las Vegas, testified that he was in support of this bill. He stated that Las Vegas would probably not use it as they had the expertise. He was concerned if this could be mandated and they would have no say or approval. Chairman Gibson felt that this act should be more restrictive. He was concerned if a city had turned down a project, they might be able to go through the state and get approval.

Senator Ford asked Mr. McNitt what was meant by the project providing a public benefit. Mr. McNitt stated that he personally had never had to write a finding in that regard. He thought that it would have to include a public benefit such as whether it would be an asset to the community, that it would provide more jobs and increase the tax base.

Mr. McNitt presented amendments to Assembly Bill No. 145.  
(See Exhibit E.)

ASSEMBLY BILL NO. 446

Authorizes housing division of department of commerce to make loans for conservation of energy in residential housing.

Mr. Robert Loux, Department of Energy, testified that this bill was drafted by the Department of Energy and the Housing Division. The purpose was to develop a low interest home improvement energy related loan program for Nevada consumers to finance the acquisition and installation of energy conservation renewable resource type hardware and materials into their homes. Current surveys indicated that interest rates were extremely high, in the 17% to 18% level when they were available. Most of the loans were from \$1000 to \$5000.

Assemblyman Robert Rusk testified in support of this bill. He asked the committee to consider eliminating income limits altogether.

Mr. Al McNitt, Administrator Housing Division, testified that these would be loans originated by a lender.

Senator Ford questioned whether any consideration had been given to doing a consumer analysis of available energy saving devices. Mr. Loux stated that there was not a list available but he believed it would be a good idea for the two departments to get together and produce one.

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Mr. McNitt commented that the way this bill was drafted, it would require that an eligible person be restricted to the same eligibility requirements that were under the Nevada Housing Finance Law. This would be low to medium income people (any family of four with less than \$26,000 per year income). Mr. McNitt said that this program would not be a very busy one, thus the Housing Division had agreed to take on handling the program without any change in their budget.

Mr. McNitt emphasized that this would not involve any direct loans.

Mr. McNitt stated that the language in the bill which said "loans to lenders" was incorrect and a totally different program. He had an amendment which was already drafted. (See Exhibit F.)

ASSEMBLY BILL NO. 468

Raises limitation on amount of bonds housing division of department of commerce may issue and provides penalty for false statements in loan applications.

Mr. Al McNitt testified that this bill was requested by the Housing Division. The bill had two parts to it. The first part would add a section that adds a gross misdemeanor penalty section with regard to any loan applications which were fraudulent of nature. The second part would increase the statutory bonding authority of the Nevada Housing Division from its current 500 million dollar limit to a 650 million dollar limit, an increase of 150 million dollars. They had 268 million dollars of bonds outstanding. They had been issuing single family bonds at the rate of 75 to 95 million dollars a year. If political action succeeded with Congress during this year, they might be able to resume single family bond issues and single family loans this year. At the current rate of loans they had issued, they would not have enough statutory authority and would be up to the 400 million dollars before the next session. (100 million dollars of the 500 could only be used by veterans.)

Mr. McNitt distributed an amendment which was drafted by a bond counsel firm on behalf of a southern Nevada developer. (See Exhibit G.)



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ASSEMBLY BILL NO. 150

Adds mobile home parks and mobile homes to types of residential housing financed under Nevada Housing Finance Law.

Chairman Gibson indicated that an analysis of Assembly Bill No. 150 had been prepared by Don Rhoades, Research Division. (See Exhibit H.)

Mr. Al McNitt testified that this bill originated as a result of a legislative study done in the past two years concerning mobile home problems. He stated that passing this bill would give clear authority to the Housing Division to finance mobile homes as real property.

Mr. McNitt stated that amendments had been added to this bill at the Housing Division's request. However, the bill drafters changed the language around so that it could be interpreted differently than the original language. Mr. McNitt requested the committee to consider amending the bill using the original language of the suggested amendment. (See Exhibit I.)

Mr. McNitt testified that this bill would provide the possibility for the Housing Division to finance a mobile home park for site rental purposes. He stated that the study found that there was a lack of supply to take care of the demands for people who wanted to rent a park space or purchase property for a mobile home.

The committee decided to give further consideration on Assembly Bill Nos. 145, 446, 468 and 150.

REAPPORTIONMENT

Mr. Andy Grose gave a presentation to the committee on the progress of the reapportionment maps. Mr. Grose stated that his goal was to have the description to the bill drafter for the Senate districts by Friday, May 1, 1981.

Mr. Grose stated that he would proceed with all the plans as had been discussed. Chairman Gibson said that the committee would consider the Congressional districting on Monday, May 4, 1981.

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ASSEMBLY BILL NO. 29

Provides for review by state agencies of water quantity and sewage disposal in planned unit developments.

Senator Keith Ashworth moved "Indefinite Postponement" on Assembly Bill No. 29.

Senator Echols seconded the motion.

The motion failed to carry. (Senators Gibson, Ford and Wagner voted "No". Senator Kosinski voted to "Abstain".)

The committee discussed the "Hoy" amendment. Senator Kosinski explained that Mr. Hoy and some other developers had filed a tentative map on a Planned Unit Development mobile home estates. The amendment would provide that he would not have to go back under this language to obtain a second approval.

Senator Ford moved "Amend and Do Pass" on Assembly Bill No. 29.

Senator Wagner seconded the motion.

The motion failed to carry. (Senators K. Ashworth, and Echols voted "No". Senator Kosinski voted to "Abstain".)

ASSEMBLY BILL NO. 94

Limits definition of "public works."

Senator Keith Ashworth moved "Amend and Do Pass" on Assembly Bill No. 94. The amendment would place the limit at \$4000.

Senator Echols seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 146

Provides for legislative veto of administrative regulations.

Senator Keith Ashworth moved "Do Pass" on Assembly Bill No. 146.

Senator Kosinski seconded the motion.

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Senator Kosinski moved to "Amend" the motion to amend the language on page 45 and 46 to provide that the revised regulation would have to be approved by the legislative commission.

Senator K. Ashworth seconded the motion.

The amendment to the motion carried unanimously.

Senator Kosinski moved to further "Amend" the motion to clarify that if the commission rejected a regulation a second time there was nothing to prevent them from resubmitting it.

Senator K. Ashworth seconded the motion.

The amendment to the motion carried unanimously.

The committee then voted on Senator Keith Ashworth's original motion.

The motion "Do Pass" carried unanimously.

Chairman Gibson assigned Senator Kosinski to work out the amendments to this bill.

ASSEMBLY BILL NO. 265

Increases certain fees for services of constables.

Senator Ford moved "Do Pass" on Assembly Bill No. 265.

Senator Getto seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 371

Requires repeal or modification of administrative regulation if corresponding federal requirement is relaxed or repealed.

Senator Kosinski voiced concern over this bill. He suggested amending the language to require that the agency promptly hold a hearing on whether or not the regulations should be maintained, modified or repealed.

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Senator Kosinski moved "Amend and Do Pass" on Assembly Bill No. 371.

Senator Ford seconded the motion.

The motion failed to carry. (Senators K. Ashworth, Gibson, Echols and Getto voted "No". Senator Getto was present for this vote and the remainder of the meeting.)

Senator Getto moved "Do Pass" on Assembly Bill No. 371.

Senator K. Ashworth seconded the motion.

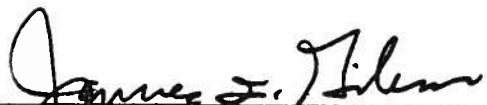
After further discussion, the committee decided to consider this bill at a later date.

There being no further business, meeting was adjourned at 6:35 p.m.

Respectfully submitted by;

  
\_\_\_\_\_  
Anne L. Lage, Secretary

APPROVED BY:

  
\_\_\_\_\_  
Senator James I. Gibson, Chairman

DATE: 5/21/81

SENATE AGENDA

REVISED 4/27/81

COMMITTEE MEETINGS

Committee on Government Affairs , Room 243 .  
Day Wednesday , Date April 29 , Time 2:00 p.m. .

S. B. No. 531--Removes prohibition against state employees taking accrued sick leave during first 6 months of employment.

S. B. No. 586--Authorizes counties to assist private organizations which provide support to victims of domestic violence.

Senator Sue Wagner, Prime Sponsor

S. B. No. 597--Makes various changes in provisions regarding elections.

S. B. No. 598--Changes procedure by which applicant for building permit requests required report from construction committee.

A. B. No. 145--Permits sale by state of revenue bonds to support industrial development in cities and counties.

A. B. No. 446--Authorizes housing division of department of commerce to make loans for conservation of energy in residential housing.

A. B. No. 468--Raises limitation on amount of bonds housing division of department of commerce may issue and provides penalty for false statements in loan applications.

A. B. No. 150--Adds mobile home parks and mobile homes to types of residential housing financed under Nevada Housing Finance Law.

A. B. No. 431--Prohibits filling position in state service with person who has not attained classification assigned to that position.

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON GOVERNMENT AFFAIRS

DATE: April 29, 1981

EXHIBIT B

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
TONY TACARMINA	WASH. REL. CO. 1205 MILL ST	785-4314
Ruth Tavernia	University of Nevada Reno	784-6844
Don Jessup	" " "	784-4031
Bob Jeffers	" " "	784-6844
Don Sealey	NIC	885 5253
Rickard	Atty Gen - Housing Div	5-4257
Mike Furtal	Housing	5-4701
BOB GAGNIER	SNEA	
Yvonne Sheehan	DMV	
Nel Frost	Rehab Div	5-4440
MIKE COOL	City of Las Vegas	883-0768
Al McNitt	Housing Division	4257

S. B. 236

SENATE BILL NO. 236—COMMITTEE ON  
GOVERNMENT AFFAIRS

FEBRUARY 16, 1981

Referred to Committee on Government Affairs

SUMMARY—Alters procedure for filling vacancy in legislature. (BDR 17-569)  
FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in italics is new; matter in brackets ( ) is material to be omitted.

AN ACT relating to the state legislature, altering the procedure for filling vacancies, and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

1 SECTION 1. NRS 218.043 is hereby amended to read as follows:  
2 218.043 Where a vacancy occurs in the office of state senator or  
3 assemblyman during a regular or special session of the legislature or at a  
4 time when no biennial election or regular election at which county offi-  
5 cers are to be elected will take place between the occurrence of [such]  
6 the vacancy and the next regular or special session, *the procedure for*  
7 *filling the vacancy is as follows:*  
8 1. *Where the senator or assemblyman was elected from a district*  
9 *wholly within one county, the board of county commissioners of the*  
10 *county from which [such] the member was elected shall appoint a person*  
11 *of the same political party as the former incumbent to fill [such]*  
12 *the vacancy.*  
13 2. *Where the senator or assemblyman was elected from a district*  
14 *comprising more than one county, [such appointment shall be made by a*  
15 *joint board composed of all] the county commissioners of each county*  
16 *within or partly within the district [,] shall meet to appoint a person of*  
17 *the same political party as the former incumbent to fill the vacancy,*  
18 *under the chairmanship of the chairman of the board of county commis-*  
19 *sioners of the county whose population residing within the district is the*  
20 *greatest. Each board of county commissioners shall*

first meet separately and determine the single candidate it will nominate to fill the vacancy. Then the boards shall meet jointly and the chairmen on behalf of the boards shall

cast a proportionate  
21 number of votes according to the percent, rounded to the nearest whole  
22 percent, which the population of its county is to the population of the  
23 district. The person who receives a plurality of these votes is appointed  
24 to fill the vacancy. If no person receives a plurality of the votes, [of the

1 joint board,] the boards of county commissioners of the respective coun-  
2 ties shall each select a candidate, and the appointee [shall] must be  
3 chosen by drawing lots among the candidates so selected.

Proposed amendment to S.B. 236: Sen. Ford

S. B. 236

EXHIBIT D

SENATE BILL NO. 236—COMMITTEE ON GOVERNMENT AFFAIRS

FEBRUARY 16, 1981

Referred to Committee on Government Affairs

SUMMARY—Alters procedure for filling vacancy in legislature. (DDR 17-369)

FISCAL NOTE: Effect on Local Government No. Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in italics is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to the state legislature; altering the procedure for filling vacancies and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows: -

1 SECTION 1. NRS 218.043 is hereby amended to read as follows:  
 2 218.043 Where a vacancy occurs in the office of state senator or  
 3 assemblyman during a regular or special session of the legislature or at a  
 4 time when no biennial election or regular election at which county offi-  
 5 cers are to be elected will take place between the occurrence of [such]  
 6 the vacancy and the next regular or special session, the procedure for  
 7 filling the vacancy is as follows:  
 8 1. Where the senator or assemblyman was elected from a district  
 9 wholly within one county, the board of county commissioners of the  
 10 county from which [such] the member was elected shall appoint a per-  
 11 son of the same political party as the former incumbent to fill [such]  
 12 the vacancy.  
 13 2. Where the senator or assemblyman was elected from a district  
 14 comprising more than one county, [such appointment shall be made by a  
 15 joint board composed of all] the county commissioners of each county  
 16 within or partly within the district [.] shall meet to appoint a person of  
 17 the same political party as the former incumbents to fill the vacancy,  
 18 under the chairmanship of the chairman of the board of county commis-  
 19 sioners of the county whose population residing within the district is the  
 20 greatest. ~~Each board of county commissioners~~

Each member of each board shall cast a proportionate vote. If the numbers of members on the boards which are entitled to vote are equal, each member

21 shall cast a proportionate  
22 number of votes according to the percent, rounded to the nearest whole  
23 percent, which the population of his county is to the population of the  
24 district.

If the numbers of members on the boards which are entitled to vote differ, each member of the smaller boards shall cast a proportionate vote equal to the number of members on the largest board divided by the number of members on the board on which he serves times the percent which the population of his county is to the population of the district.

The person who receives a plurality of these votes is appointed to fill the vacancy. If no person receives a plurality of the votes, [of the

1 joint board.] the boards of county commissioners of the respective coun-  
2 ties shall each select a candidate, and the appointee [shall] must be  
3 chosen by drawing lots among the candidates so selected.



Amendment to AB 145:

EXHIBIT E

Amend Section 25, page 9, lines 6 and 7, subsection 2 to read:

The director finds and the governing board of the city or county and the state board of finance approves the findings of the director that:



STATE OF NEVADA  
DEPARTMENT OF COMMERCE  
HOUSING DIVISION  
201 SOUTH FALL STREET, ROOM 300  
CARSON CITY, NEVADA 89710

ROBERT LIST  
GOVERNOR  
JAMES L. WADSWORTH  
DIRECTOR

(702) 885-4258

May 1, 1981

A. L. MCNITT, JR.  
ADMINISTRATOR  
DOUGLASS R. MORRA  
DEPUTY ADMINISTRATOR

The Honorable James I. Gibson  
Senate Government Affairs Committee  
Nevada State Legislature  
Carson City, Nevada 89710

RE: Recommended changes to Assembly Bill 145, 3rd Reprint, BDR 18-637.

Dear Senator Gibson:

1. The word "authorizing" appearing on page 2, line 16 and on page 4, line 8 would be understood in the industry as triggering official action which would obligate the city or county governing board to go forward with the financing even if the director believes the bonds are not marketable. It is therefore suggested the word "authorizing" be deleted and replaced with the phrase "of the board requesting" on page 2, line 16 and with the phrase "of the governing body requesting" on page 4, line 8.

2. The definition of "revenues" in section 19, page 7, does not reflect the guarantee provision contained in section 26, subsection 2 of this bill. Page 7, line 33 should therefore be amended to read "agreement of sale or financing agreement [.] or under any guarantee of or insurance with respect to any of the foregoing."

3. The term "economic development" is inappropriate as it appears on page 8, line 48, and should be deleted and replaced with the term "a project".

4. The words "industrial development revenue" that appear on page 9, line 5 are inappropriate and should be deleted. I have been advised by Assemblyman Dini that health care facilities were inadvertently omitted from the finding that appears on page 9, lines 8 through 15. This apparently inadvertent omission can most easily be remedied by amending page 9, line 12 to read "ment for manufacturing, industrial, warehousing, commercial, a health and care facility, a supplemental facility for a health and care facility or research".

5. The phrase "financing economic development" that appears on page 9, line 37 is inappropriate and should be replaced with the phrase "issuing bonds".

6. The word "must" that appears on page 10, line 40 makes this provision inconsistent with similar provisions in other sections of the Nevada Revised Statutes dealing with state securities. Specifically it invites problems with Uniform Commercial Code Article 8 compliance throughout the life of the issue,

The Honorable James I. Gibson  
May 1, 1981  
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which problems are avoided in similar sections of the Nevada Revised Statutes by use of the word "are". It is therefore suggested that page 10, line 40 be amended to read "3. The bonds [must be] are fully negotiable under the terms of the Uni-".

7. The sentence that appears on page 11, lines 6 and 7 which states "the state may not pledge any of its property or otherwise secure the payment of any bonds with its property." is inconsistent with the remainder of AB 145 which specifically contemplates that the director will pledge project revenues, mortgages and other notes, debentures, bonds or other secured or unsecured debt obligations of the obligor of the projects. It is therefore recommended that section 29, subsection 2, page 11 be amended to read as follows:

2. [The state may not pledge any of its property or otherwise secure the payment of any bonds with its property.]  
The state, [A] a city or a county may pledge only the property of the project or the revenues therefrom.

8. The mechanics in AB 145 of actually selling and delivering the bonds have never been as clear and as detailed as a model bill might include. The bill repeatedly states the director will issue bonds and yet the new program contained in AB 145 is to be placed in chapter 349. This begs the question if the director is suppose to enlist the aid of the various state officers charged in the state securities law with performing certain mechanical functions in selling and delivering state securities to perform such mechanical functions for the bonds the director is to issue. It is therefore recommended that section 34 of the bill be amended by adding a new subsection 8 to the end of the bill on page 13, which subsection would state:

8. The director or his appointee exclusively may take any and all actions and execute and deliver any and all instruments, contracts, certificates and other documents, including the bonds, necessary or appropriate for the sale and issuance of the bonds or accomplishing the purposes of sections 7 to 34, inclusive, of this act.

We wish to thank you and the committee for your consideration of these recommended amendments which unfortunately were not yet available when the Assembly completed its action on the bill.

Sincerely,

A. L. McNitt, Jr.  
Administrator

cc: Assemblyman Joseph Dini  
James Wadhams



ROBERT LIST  
GOVERNOR  
JAMES L. WADHAMS  
DIRECTOR

STATE OF NEVADA  
DEPARTMENT OF COMMERCE  
HOUSING DIVISION  
201 SOUTH FALL STREET, ROOM 300  
CARSON CITY, NEVADA 89710  
(702) 365-4258

**EXHIBIT F**

A. L. MCNITT, JR.  
ADMINISTRATOR  
DOUGLASS R. MORRA  
DEPUTY ADMINISTRATOR

April 30, 1981

The Honorable James I. Gibson  
Senate Government Affairs Committee  
Nevada State Legislature  
Carson City, Nevada 89710

Dear Senator Gibson:

This is a suggested Amendment to Assembly Bill 446, BDR 25-1536.

Assembly Bill 446 as it appears in the first reprint authorizes the Nevada Housing Division to make energy loans under the division's "loans to lenders" program but not under any of the other division programs such as its "mortgage purchase program", its "multifamily program" or its "construction loan program".

By federal legislation enacted in December, 1980 (P.L. 96-499), the Housing Division is unequivocally prohibited from operating a "loans to lenders" program. Although the Housing Division remains optimistic that other onerous provisions of the so-called "Mortgage Subsidy Bond Tax Act of 1980" will be substantially amended, the Housing Division is unable to generate such optimism concerning its "loans to lenders" program. Even the most ardent supporters of state housing finance programs in Washington, D. C. state they have no intention of trying to revive state "loans to lenders" programs. It is, therefore, respectfully suggested that the energy loan program in AB 446 be removed from NRS 319.230 and placed in NRS 319.130, the section defining residential housing, as that section is amended by AB 150. Such a change would enable the Housing Division to make energy loans under any of its programs.

The specific change suggested is that the following language be added to the end of NRS 319.130 as amended by AB 150:

(ALTERNATIVE SUGGESTION NUMBER ONE-ENERGY LOANS TO LOW OR MODERATE INCOME PERSONS ONLY)

Residential housing also includes the purchase and installation of equipment and materials for the conservation of energy and the use of alternative energy resources within a residential dwelling unit.

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During your committees hearing on April 29, 1981, it was suggested that these energy loans should be made available to any Nevada family without regard to income. The Nevada Housing Division is currently restricted to making loans to low or moderate income families. Chapter 319 contains a section detailing the legislative findings for the need for housing loans to low or moderate income families, NRS 319.020. If the division is to make energy loans to any Nevada resident, without regard to income, a new legislative findings section must be added to Chapter 319 in addition to section 319.020. Such a new section might state:

The legislature finds and declares:

1. There exists a serious shortage of energy in this state. This shortage of energy is in part the result of the large number of residential dwelling units in this state which are not energy efficient.
2. The shortage of energy efficient housing is a menace to the health, safety and welfare of the citizens of this state.
3. One major cause of this shortage of energy efficient housing has been recurrent shortages of money from private sources, and such shortages have made the purchase and installation of equipment and materials for the conservation of energy and the use of alternative energy resources within residential dwelling units a virtual impossibility.
4. The ordinary operations of private enterprise have not in the past alleviated this shortage of energy efficient housing.
5. A stable supply of adequate money for the financing of the purchase and installation of equipment and materials for the conservation of energy and the use of alternative energy resources within residential dwelling units is required to encourage the purchase and installation of such equipment and materials in an orderly and sustained manner and thereby to reduce these detrimental results.
6. It is necessary to enlarge the class of residential housing which may be financed by the State Housing Division of the Department of Commerce to encourage the investment of private capital and stimulate the financing of energy efficient housing through the use of public financing to provide loans for the purchase and installation of equipment and materials for the conservation of energy and the use of alternative energy resources within residential dwelling units.

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7. All of the purposes set forth in subsection 6 are public purposes and uses for which public monies may be borrowed, expended, advanced, loaned or granted.

This Chapter shall be liberally construed to accomplish the public purposes and alleviate the detrimental conditions set forth in this section.

After enacting such legislative findings it would then be appropriate to amend NRS 319.130 by adding the following language to that section as that section has been amended by AB 150:

(ALTERNATIVE SUGGESTION NUMBER TWO-ENERGY LOANS WITHOUT INCOME LIMITATION)

Residential housing also includes the purchase and installation of equipment and materials for the conservation of energy and the use of alternative energy resources within a residential dwelling unit without regard to whether the occupant of the residential dwelling unit is an eligible family.

To summarize, if the committee intends to make energy loans available to low to moderate income families, the committee should choose the first alternative for adding such loans to NRS 319.130. If, however, the committee intends to have the Housing Division make such loans to all Nevada residents without regard to income, the committee should first enact a new findings section for inclusion in Chapter 319, as outlined above, and then enact the second alternative addition to NRS 319.130.

Thank you in advance for your attention to this matter.

Sincerely,

  
A. L. McNitt, Jr.  
Administrator

ALM/fw

cc: Jim Wadhams  
M. Clark

EXHIBIT G

SUGGESTED NEW SECTION FOR A.B. 468

Section 3. Chapter 319 of NRS is hereby amended by adding thereto a new section which shall read as follows:

The division shall cooperate with private enterprise to the maximum extent possible to accomplish the public purposes of this chapter. In connection therewith, the division shall take all reasonable steps to adopt criteria of other governmental and private enterprise housing programs and avoid imposing additional program restrictions; covenants of sponsors deemed necessary to satisfy the public purposes of this chapter may be specifically enforced by the division and need not be recorded in the applicable real property records. The division shall encourage mixed income projects where possible, as the promotion of market rate housing for moderate income persons greatly assists in providing decent housing for lower income persons and families.

April 23, 1981

ANALYSIS OF A.B. 150 AS AMENDED

Background

EXHIBIT H

Assembly Bill 150 relates to recommendations made by the legislative commission's subcommittee which studied the problems of owners and renters of mobile homes during the 1979-80 legislative interim.

LOANS AND TECHNICAL ASSISTANCE BY THE HOUSING DIVISION

Chapter 319 of NRS gives the housing division broad authority to provide advice, technical information and assistance for the development of housing (See NRS 319.160); to make loans to finance the construction or rehabilitation of multi-family residential housing (See NRS 319.190); and to make loans to lending institutions under terms and conditions requiring the proceeds of the loans to be used by the lending institutions for the making of new mortgage loans for residential housing (See paragraph (a) of subsection 1 of NRS 319.230).

Concerning information, research and promotion, NRS 319.160 says:

The division may provide advice, technical information, training and educational services, conduct research and promote the development of housing, building technology and related fields.

The subcommittee found that the housing division has focused its efforts on conventional housing. The subcommittee believed those efforts could be expanded to include mobile homes. It therefore recommended:

The housing division of the department of commerce use its authority under NRS Chapter 319 to provide assistance to low and moderate income persons who wish to purchase mobile homes and to assist in the development of new mobile home developments including mobile home parks.

The subcommittee specifically recommended:

(a) The housing division provide loans to non-profit corporations and local agencies attempting to develop new mobile home developments.



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(b) The housing division provide advice and technical information as specified in NRS 319.160 to those wishing to develop mobile home parks affordable to low and moderate income households.

(c) The housing division make loans for the following reasons:

(1) To finance the development of mobile home parks which will be cooperatively owned or rented by households of low and moderate income.

(2) To finance the development of mobile home subdivisions, provided that the mobile homes will be purchased by lower and moderate income households.

#### A.B. 150

The first reprint of A.B. 150 relates to these recommendations.

It specifies that the term "residential dwelling unit" includes a mobile home or real property to be rented for occupancy by a mobile home. This real property could, it appears, be in a mobile home park or elsewhere.

#### Comments

During the subcommittee's meetings the administrator of the housing division reported on problems he envisioned with the bond market and federal regulations if the division attempted to carry out the preceding recommendations. The subcommittee felt the division should carry out its recommendations to the fullest extent possible. If, however, the division had problems in doing so, it felt the legislature should be advised. It made recommendations to that effect which are contained in A.B. 23 which is currently in the assembly committee on commerce.

Research Division  
April 29, 1981

DAR:jlc:4.1.AB150



ROBERT LIST  
GOVERNOR  
JAMES L. WACHANS  
DIRECTOR

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HOUSING DIVISION  
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EXHIBIT I

A. L. MCNITT, JR.  
ADMINISTRATOR  
DOUGLASS R. MORRA  
DEPUTY ADMINISTRATOR

May 1, 1981

The Honorable James I. Gibson  
Senate Government Affairs Committee  
Nevada State Legislature  
Carson City, Nevada 89710

RE: Suggested changes to Assembly Bill 150, BDR 25-681.

Dear Senator Gibson:

It is respectfully suggested that the language being added to NRS 319.130 by AB 150 concerning Mobile Homes and Mobile Home Pads be integrated into the existing paragraph, rather than add it on as a series of separate subsections following the existing paragraph. The reason for this suggestion is to remove the ambiguity created in AB 150, First Reprint, by the separate sections concerning appurtinent improvements to a mobile home pad. This technical ambiguity has clouded the ability to obtain an unqualified bond counsel opinion essential to issue bonds and the amendment should remedy this impairment.

ALTERNATIVE SUGGESTION NO. 1:

319.130 "Residential housing" means one or more new or existing residential dwelling units or real property to be used for rental sites for mobile homes regardless of the fact that the mobile homes are not financed pursuant to this chapter financed pursuant to the provisions of this chapter for the primary purpose of providing decent, safe and sanitary dwelling accommodations for eligible families in need of housing, including any buildings, mobile homes, land, improvements, equipment, facilities, other real or personal property, or other related nonhousing facilities which are necessary, convenient or desirable in connection therewith, and including but not limited to streets, sewers, utilities, parks, site preparation, landscaping and other nonhousing facilities such as administrative, community, transportation, health, recreational, educational, commercial, retail, welfare and public facilities which the division determines improve the quality of the residential living for eligible families.

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ALTERNATIVE SUGGESTION NO. 2

319.130 "Residential housing" means one or more new or existing residential dwelling units financed pursuant to the provisions of this chapter for the primary purpose of providing decent, safe and sanitary dwelling accommodations for eligible families in need of housing [, including]. The term includes any buildings (including mobile homes), land (including real property to be rented for occupancy by mobile home, whether or not the mobile home itself is financed under this chapter), improvements, equipment, facilities, other real or personal property, or other related nonhousing facilities which are necessary, convenient or desirable in connection therewith, and including but not limited to streets, sewers, utilities, parks, site preparation, landscaping and other nonhousing facilities such as administrative, community, transportation, health, recreational, educational, commercial, retail, welfare and public facilities which the division determines improves the quality of the residential living for eligible families.

I would not bother your committee with this relatively minor, technical change except for the fact that the division faces an enormous, uphill battle with the Internal Revenue Service concerning the financing of mobile home pads and appurtenant improvements when the mobile home itself is not a part of the package. The Internal Revenue Service position currently seems to be that such a financing does not provide, by their definition, residential housing. It is therefore imperative that the division's state law authorization to do such a financing for what the state clearly and unambiguously defines as residential housing be in as clear and unambiguous of terms as possible.

Thank you in advance for your consideration of this request.

Sincerely,



A. L. McNitt, Jr.  
Administrator

ALM/fw

cc: James Wadhams