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MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON NATURAL RESOURCES

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
February 18, 1981

The Senate Committee on Natural Resources was called to order by Chairman Norman D. Glaser, at 1:30 p.m., Wednesday, February 18, 1981, in Room 325 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster. Exhibit C is the Solar Power Satellite (SPS) Report and Exhibit D is the report by Robert Erickson on the Irrigation Districts in Nevada.

COMMITTEE MEMBERS PRESENT:

Senator Norman D. Glaser, Chairman
Senator James H. Bilbray
Senator Lawrence E. Jacobsen
Senator Joe Neal

COMMITTEE MEMBERS ABSENT:

Senator Wilbur Faiss, Vice Chairman (Excused)
Senator Floyd R. Lamb (Excused)

STAFF MEMBERS PRESENT:

Carolyn Freeland, Secretary
Robert E. Erickson, Senior Research Analyst

GUEST LEGISLATORS PRESENT:

Senator Sue Wagner

Chairman Glaser stated there was a quorum present and called the meeting to order. He stated there were five resolutions and one bill to be considered at this committee meeting.

SENATE JOINT RESOLUTION No. 19-- Development of renewable sources of energy.

Senator Sue Wagner made a few brief comments regarding SENATE JOINT RESOLUTION NO. 19. She stated it was the result of a resolution unanimously approved at the 1980 Convention

SENATE COMMITTEE ON NATURAL RESOURCES
February 18, 1981

of the Nevada State Division of the American Association of University Women in Elko, Nevada. Senator Wagner added there were drafting changes to be made, which would be discussed by Mrs. Elizabeth Gambodi, State Division Chairman for Legislation for the American Association of University Women.

Mrs. Gambodi then spoke, saying it was felt future use of the Nevada Test Site should include research and development in alternative energy sources, especially solar power. She distributed copies of a report entitled "Solar Power Satellite" (Exhibit C), adding the resolution under consideration should include a stipulation that a receiving station be placed in Southern Nevada. She suggested the following amendments: on page 1, line 23, delete the comma and insert "which uses solar energy;" on page 1, after line 24, add a resolving clause urging Congress to locate the receiving station for the satellite power system at the Nevada Test Site.

Senator Bilbray asked if the satellite could be used a defense weapon as well as a source of power. Mrs. Gambodi referred him to an extensive state report issued in 1978 and available through the Legislative Counsel Bureau.

Ms. Peggy Twedt, League of Women Voters, expressed the League's support for the resolution.

It was asked what the actual area is which is encompassed by the Nevada Test Site. Chairman Glaser replied the area covered is 891,581 acres, or 1,280 square miles, noting the establishment of a receiving station at the Site would not impact the total area used to a very great degree.

There being no further testimony on this resolution, Chairman Glaser concluded the hearing, saying the amendments requested would be taken under advisement.

SENATE BILL NO. 138--Gives the Public Service Commission exclusive authority to regulate certain facilities which deal with liquefied petroleum gas.

Mr. Heber Hardy, Chairman of the Public Service Commission, stated that the Commission and the members of the Liquefied Petroleum Board have reached an agreement for dealing with problems in this area, and requested the bill be withdrawn at this time.

SENATE COMMITTEE ON NATURAL RESOURCES
February 18, 1981

ASSEMBLY JOINT RESOLUTION No. 3--Requests agencies of the United States to apply for water rights pursuant to law.

Mr. Fred Weldon, Staff Assistant to the Interim Water Study Committee, stated this resolution contains one major point, i.e., all agencies of the United States Government seeking to acquire water rights in the State of Nevada should apply for these rights pursuant to the water laws of the state.

Mr. William Newman, State Engineer, added his department is in support of the resolution, as it would provide an inventory of water rights in use by the federal government as well as a record of the total water being used. Federal use is not quantified at the present time.

ASSEMBLY JOINT RESOLUTION NO. 8--Commends United States Air Force for applying for water rights pursuant to state law and urges that only unappropriated water be acquired.

Mr. Weldon said the resolution is self-explaining. However, he would urge the United States Air Force to restrict its use of water to that which is presently unappropriated. A water right is a property right and subject to condemnation, therefore, he would ask the Air Force not to restrict or condemn any existing rights.

Mr. Newman pointed out that condemnation protests have to be heard before a decision is made as to water availability in specific basins, as well as prior water applications being considered.

There was discussion regarding the various water basins in the state. Senator Bilbray asked that maps be made available to the committee in order that it could more easily examine and understand the specific areas brought into consideration. Chairman Glaser asked Mr. Erickson, Senior Research Analyst, to provide such maps for future meetings.

Mr. Newman concluded his testimony by stating his department supports the passage of this resolution.

ASSEMBLY JOINT RESOLUTION NO. 6--Urges Congress of the United States to ratify California-Nevada Interstate Compact.

Mr. Weldon explained the purpose of the resolution is to allow the apportionment of the waters of the Truckee, Carson and Walker Rivers and Lake Tahoe between California and Nevada.

SENATE COMMITTEE ON NATURAL RESOURCES
February 18, 1981

He said the federal Department of the Interior has no unified position on this matter, and therefore Congress has not acted on the Compact. Chairman Glaser asked Mr. Weldon if California would be in a position to appropriate more of the waters mentioned if the Compact is not ratified. Mr. Weldon answered such is the case; California's future water needs could be met from these water sources if the Compact is not ratified.

Mr. William Newman State Engineer, said this resolution is very important to the State of Nevada, and the state could benefit to a great degree from it as it might obtain the better share of available water from the sources previously mentioned. Senator Glaser asked if there could be a possible diversion of waters without the Compact; Mr. Newman replied in the same vein as Mr. Weldon, saying there is a possibility California's future water needs could be met in this manner if no Compact is signed.

Senator Jacobsen expressed the belief the resolution is too weak as it now stands. He feels mention should be made of the amount of time, effort, and money expended to date on this project, in addition to naming the committee people involved, in order to strengthen the resolution. He also feels a covering letter should accompany the resolution to Washington.

Chairman Glaser asked if the members of the committee concurred in these suggestions. It was agreed staff would prepare a "Whereas" clause, or several if need be, as amendment or amendments to Senate Joint Resolution No. 6, in addition to a cover letter.

Mr. Roland Westergard, Director of the Department of Conservation and Natural Resources, stated he felt the resolution is timely, as there have been questions raised as to why the Compact has been held up in Congress for nine years. Without it, there is a possibility that portions of water in the upper water sheds could be siphoned off. Mr. Westergard also emphasized the passage of this resolution could be introduced in Washington as testimony to, and evidence of, support for the ratification of the Compact.

ASSEMBLY JOINT RESOLUTION NO. 7--Opposes designation of rivers in Nevada pursuant to Wild and Scenic Rivers Act.

Mr. Weldon stated the Wild and Scenic Rivers Act is a Congressional act; there are two ways rivers can be designated wild and scenic, one by Congressional action, and one by action of the state legislature in which the river or rivers exist.

SENATE COMMITTEE ON NATURAL RESOURCES
February 18, 1981

It was noted Senator Paul Laxalt, United States Senate, has committed himself to continue opposition to designations of rivers within the State of Nevada as wild and scenic.

Mr. Newman pointed out that such designations would impede the flow of waters, or perhaps result in increased flow to meet federal flow standards, thereby affecting water supplies and levels in the designated rivers. Mr. Robert Warren, representing the Nevada Mining Association, stated there would be problems created for the mining industry if such designations were allowed, and said his association supports the resolution.

There being no further testimony on this item, remarks were declared concluded by the Chairman.

SENATE BILL NO. 14--Revises certain provisions relating to irrigation districts.

Chairman Glaser reviewed previous testimony presented regarding this bill. Mr. Robert Erickson, Senior Research Analyst, presented information the committee had requested concerning irrigation districts within the state (Exhibit D). Chairman Glaser called for the wishes of the committee; it was agreed that an amendment regarding Section 5 dealing with publishing claims in newspapers be prepared and presented for consideration, as well as an amendment concerning Section 4 regarding the indebtedness limit.

As there was no further testimony on scheduled bills, and no other business, the Chairman referred the committee members to bills awaiting final action.

Senator Bilbray moved that Senate Joint Resolution No. 3 and Assembly Joint Resolution No. 8 be approved. (Exhibits E and F).

Senator Jacobsen seconded the motion.

The motion carried unanimously. (Senator Lamb and Senator Faiss were absent for the vote).

SENATE COMMITTEE ON NATURAL RESOURCES
February 18, 1981

Senator Neal moved that Senate Bill No. 138
be indefinitely postponed. (Exhibit G).

Senator Jacobsen seconded the motion.

The motion carried unanimously. (Senator Lamb
and Senator Faiss were absent for the vote).

Senator Bilbray moved amend and do pass Assembly
Joint Resolution No. 6, subject to language clari-
fications proposed in testimony. (Exhibit H).

Senator Jacobsen seconded the motion.


The motion carried unanimously. (Senator Lamb
and Senator Faiss were absent for the vote).

There being no further business, the meeting was adjourned
at 3:40 P. M.

Respectfully submitted by:


Carolyn L. Freeland, Secretary

APPROVED BY:


Senator Norman Glaser, Chairman

DATE: March 5, 1981

SENATE AGENDA

COMMITTEE MEETINGS

EXHIBIT A

Committee on Natural Resources, Room 323.

Day Wednesday, Date February 18, Time 1:30 P. M.

S. J. R. No. 19--Urges Congress of United States to use Nevada Test Site for development of renewable sources of energy.

A. J. R. No. 3 --Requests agencies of the United States to apply for water rights pursuant to law.

A. J. R. No. 6 --Urges Congress of United States to ratify California-Nevada Interstate Compact.

A. J. R. No. 7 --Opposes designation of rivers in Nevada pursuant to Wild and Scenic Rivers Act.

A. J. R. No. 8 --Commends United States Air Force for applying for water rights pursuant to state law and urges that only unappropriated water be acquired.

S. B, 138--Gives public service commission exclusive authority to regulate certain facilities which deal with liquified petroleum,

FINAL ACTION:

S. B, 14--Revises certain provisions relating to irrigation districts,

producing electricity by other means in new plants would produce revenues which would recover the investment in the satellite system in a few years.

Many studies and significant research have already been done on the concept. Much yet remains to be done if the concept is to be proven feasible.

This year, the administration proposed that DOE be funded in the amount of \$15.6 million for a feasibility study of the concept and program to be administered by the DOE and NASA. In April, hearings were held by subcommittees of the Committee on Science and Technology, House of Representatives, on a bill which proposed \$25 million for FY1979 to accelerate the program.

The potential of the concept is such that it appears certain that substantial monies will be devoted to required research, development and demonstration in many areas to determine feasibility.

Evaluation and Recommendation

The NTS and its resources could contribute substantially to several of the areas of research, development, and demonstration, which are being or will be pursued under the SPS program.

Microwave Studies. The isolation and security control of the NTS along with its technical and support personnel offer substantial and unique advantages for certain aspects of the research programs related to:

Effects on the ionosphere;
Communication interference;
Biological and ecological effects;
Other environmental effects;

EXHIBIT C/3

Development of exposure standards;
Land requirements for receiving antenna;
Transmitter system and components tests;
Material tests.

The BREN tower located at the NTS is a unique facility which may have special value for some of these programs.

The NTS Experimental Farm may fall in the same category.

The NTS is a logical location for a large-scale Microwave Environmental Simulation Facility, particularly in view of the desirability of locating such a facility in an area comparable to that in which a receiving station might be located.

The technology and experience of NTS personnel in designing, building and operating large-scale vacuum chambers could be valuable to certain systems, components and material tests.

Additionally, the Environmental Protection Agency (EPA) will have a role in several of these research programs. The EPA has in Las Vegas an office and a group of skilled personnel now principally engaged on activities related to the nuclear explosives test program. The capability which they represent may be difficult to retain in the event of a ban on or a reduction in testing, even with a "readiness program". The conduct of SPS research at the NTS could utilize some of the EPA personnel and, thus, contribute to the retention of the present capability.

Energy Conversion. (See the discussion under the topic "Photovoltaic Applications Test Facility.")

Receiving Station. The NTS could ideally provide the space, personnel and support for tests of receiving antenna (rectenna) prototypes for the use of a rectenna array for testing ionosphere and communications effects, for studies of potential multiple use of land areas devoted to receiving stations, and for tests of the energy conversion and utility tie-in systems.

If and when the program evolves to the stages of satellite tests of the systems and then an initial operating satellite, the receiving station will undoubtedly be located in a relatively remote area to which access can be controlled. Substantial areas will be required for an operating receiving station; the rectenna will cover an area about eight miles by six miles.

There are, perhaps, a number of sites in Nevada which could potentially meet the requirements for a receiving station. The first receiving station, however, should be located in Southern Nevada close enough to the NTS to draw on the resources there.

The Committee recommends strongly that:

The State seek the location at the NTS of all those research, development, and test programs related to the Sun Power Satellite program which can be accommodated there; and

The State seek location of the first SPS receiver station site in Southern Nevada near the NTS; and

The State pursue, through the DOE, the coordination between DOE, NASA, EPA, and other agencies and organizations involved, which will result in the achievement of those objectives.

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February 13, 1981

EXHIBIT D

M E M O R A N D U M

TO: Senator Norman Glaser, Chairman and
Members of the Senate Natural Resources
Committee

FROM: Robert Erickson, Senior Research Analyst *Robert Erickson*

SUBJECT: Irrigation Districts in Nevada (Re: S.B. 14)

In response to questions raised by committee members regarding the operations of Nevada's irrigation districts, the attached chart is provided.

In regard to section 5 of S.B. 14, Mr. Goldsworthy of the Pershing County Water Conservation District and Mr. Lattin of the Tahoe Carson Irrigation District, would like to have the option of publishing claims in their local newspapers.

In terms of the indebtedness limit in section 4 of S.B. 14, Mr. Goldsworthy supports the requests of the other two districts. However, because his is the smallest of the three districts, \$100,000 would be adequate for its needs. Mr. Lattin requested a limit of \$150,000 to \$200,000, while Mr. Weishaupt of the Walker River Irrigation District would be satisfied with a \$200,000 limit.

BE/llp
Enc.

IRRIGATION DISTRICTS IN NEVADA

<u>District</u>	<u>Total Acres Within District Boundaries</u>	<u>Water Right Acres For Which Irrigation Water Is Supplied</u>	<u>Active Water Users</u>	<u>Current Total Budget- Operations, Maintenance, Salaries, Etc.</u>	<u>Number of Employees</u>	<u>Equipment Needs</u>
Walker River Irrigation District Yerington, Nevada (Walker River System)	130,000	78,860	500	\$ 360,000	7	A new dragline at \$160,000-\$180,000.
Pershing County Water Conservation District Loveland, Nevada (Humboldt River System)	40,594	37,327	93	282,000	10	Uncertain, but most equipment is purchased used or surplus and is under \$50,000 per item.
Tahoe Carson Irrigation District Fallon, Nevada (Truckee and Carson River Systems)	100,000	73,002	2,300	2,700,000	50	A new mobile crane at \$185,000.

*Existing equipment in irrigation districts may include draglines, backhoes, dump trucks, cranes, road graders, caterpillars, transports, and pickup trucks.

Prepared by LCB Research Division
February 13, 1981

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. J. R. 3

SENATE JOINT RESOLUTION NO. 3—SENATORS GETTO, DON ASHWORTH, KEITH ASHWORTH, BILBRAY, BLAKE-MORE, CLOSE, ECHOLS, FAISS, FORD, GIBSON, GLASER, JACOBSEN, KOSINSKI, LAMB, McCORKLE, NEAL, RAGGIO, WAGNER AND WILSON

JANUARY 20, 1981

Referred to Committee on Taxation

SUMMARY—Proposes constitutional amendment to provide for exemption of certain food from sales and use tax. (BDR C-409)

**FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: Yes.**

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

SENATE JOINT RESOLUTION—Proposing to amend article 10 of the constitution of the State of Nevada, relating to taxation, by adding a new section which exempts food for human consumption from sales and use tax.

- 1 *Resolved by the Senate and Assembly of the State of Nevada, jointly,*
2 That article 10 of the constitution of the State of Nevada be amended by
3 adding thereto a new section which shall read as follows:
4 *Sec. 3. The legislature shall provide by law for:*
5 *1. The exemption of food for human consumption from any tax*
6 *upon the sale, storage, use or consumption of tangible personal property;*
7 *and*
8 *2. These commodities to be excluded from any such exemption:*
9 *(a) Prepared food intended for immediate consumption.*
10 *(b) Alcoholic beverages.*

A. J. R. 8

**ASSEMBLY JOINT RESOLUTION NO. 8—COMMITTEE ON
ECONOMIC DEVELOPMENT AND NATURAL RESOURCES**

JANUARY 22, 1981

—○—
Referred to Committee on Economic Development
and Natural Resources

SUMMARY—Commends United States Air Force for applying for water rights pursuant to state law and urges that only unappropriated water be acquired. (BDR 93)

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.

ASSEMBLY JOINT RESOLUTION—Commending the United States Air Force for applying for water rights pursuant to state law and urging that only unappropriated water be acquired.

- 1 **WHEREAS**, The water of the State of Nevada is a scarce and valuable
2 resource which is appropriated on the basis of beneficial use; and
3 **WHEREAS**, The amount of water which the United States Air Force
4 will require for the construction and operation of the MX Missile instal-
5 lation will constrain the availability of water for other beneficial uses;
6 and
7 **WHEREAS**, The United States Air Force has recognized the need of the
8 State of Nevada to appropriate water according to a comprehensive
9 scheme; now, therefore, be it
10 *Resolved by the Assembly and Senate of the State of Nevada, jointly,*
11 That the Nevada legislature hereby commends the United States Air
12 Force for applying for the acquisition of water rights for the MX Missile
13 installation pursuant to the laws of the State of Nevada; and be it further
14 *Resolved*, That the Nevada legislature urges the United States Air
15 Force to restrict its use of water to that which is presently unappropri-
16 ated and not to restrict or condemn any existing water rights; and be it
17 further
18 *Resolved*, That a copy of this resolution be immediately transmitted
19 by the legislative counsel to the Secretary of the Air Force; and be it
20 further
21 *Resolved*, That this resolution shall become effective upon passage
22 and approval.

S. B. 138

SENATE BILL NO. 138—COMMITTEE ON
COMMERCE AND LABOR

JANUARY 29, 1981

Referred to Committee on Commerce and Labor

SUMMARY—Gives public service commission exclusive authority to regulate certain facilities which deal with liquefied petroleum gas. (BDR 51-273)

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 liquefied petroleum gas; giving the public service commission exclusive authority to regulate certain facilities which deal with it; 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. Chapter 590 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:
3 *Public utilities under the jurisdiction of the public service commission*
4 *are exempt from the requirements of NRS 590.465 to 590.645, inclusive.*
5 *The public service commission has exclusive authority to regulate facili-*
6 *ties maintained or operated by public utilities under its jurisdiction which*
7 *are used for the storage, distribution, transport, dispensing or use of*
8 *liquefied petroleum gas.*

S. J. R. 6

SENATE JOINT RESOLUTION NO. 6—SENATORS LAMB, GIBSON, DON ASHWORTH, KEITH ASHWORTH, BILBRAY, BLAKEMORE, CLOSE, ECHOLS, FAISS, FORD, GETTO, GLASER, JACOBSEN, KOSINSKI, McCORKLE, NEAL, RAGGIO, WAGNER AND WILSON

JANUARY 20, 1981

Referred to Committee on Taxation

SUMMARY—Permits separate classification of residential property for taxation. (BDR C-708)

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.

SENATE JOINT RESOLUTION—Proposing to amend the Nevada constitution to permit the separate classification of residential property for the purpose of taxation.

- 1 *Resolved by the Senate and Assembly of the State of Nevada, jointly,*
2 That section 1 of article 10 of the constitution of the State of Nevada be
3 amended to read as follows:
4 Section 1. 1. The legislature shall provide by law for a uniform and
5 equal rate of [assessment and] taxation, *but may classify residential*
6 *property separately, in one or more classes, for the purpose of valuation*
7 *or assessment,* and shall prescribe such regulations as shall secure a just
8 valuation for taxation of all property, real, personal and possessory,
9 except mines and mining claims, when not patented, the proceeds alone
10 of which shall be assessed and taxed, and when patented, each patented
11 mine shall be assessed at not less than five hundred dollars (\$500),
12 except when one hundred dollars (\$100) in labor has been actually per-
13 formed on such patented mine during the year, in addition to the tax
14 upon the net proceeds [; shares] , *and other property for which specific*
15 *provision is made in this section.*
16 2. *Shares* of stock (except shares of stock in banking corporations),
17 bonds, mortgages, notes, bank deposits, book accounts and credits, and
18 securities and choses in action of like character are deemed to represent
19 interest in property already assessed and taxed, either in Nevada or else-
20 where, and shall be exempt. [Notwithstanding the provisions of this sec-
21 tion, the]
22 3. *The legislature may constitute agricultural and open-space real*
23 property having a greater value for another use than that for which it is

1 being used, as a separate class for taxation purposes and may provide a
2 separate uniform plan for appraisal and valuation of such property for
3 assessment purposes. If such a plan is provided, the legislature shall also
4 provide for retroactive assessment for a period of not less than 7 years
5 when agricultural and open-space real property is converted to a higher
6 use conforming to the use for which other nearby property is used.

7 4. Personal property which is moving in interstate commerce through
8 or over the territory of the State of Nevada, or which was consigned to a
9 warehouse, public or private, within the State of Nevada from outside the
10 State of Nevada for storage in transit to a final destination outside the
11 State of Nevada, whether specified when transportation begins or after-
12 ward, shall be deemed to have acquired no situs in Nevada for purposes
13 of taxation and shall be exempt from taxation. Such property shall not be
14 deprived of such exemption because while in the warehouse the property
15 is assembled, bound, joined, processed, disassembled, divided, cut,
16 broken in bulk, relabeled or repackaged.

17 5. The legislature may exempt motor vehicles from the provisions of
18 the tax required by this section, and in lieu thereof, if such exemption is
19 granted, shall provide for a uniform and equal rate of assessment and
20 taxation of motor vehicles, which rate shall not exceed five cents on one
21 dollar of assessed valuation.

22 6. The legislature shall provide by law for a progressive reduction in
23 the tax upon business inventories by 20 percent in each year following the
24 adoption of this provision, and after the expiration of the 4th year such
25 inventories are exempt from taxation. The legislature may exempt any
26 other personal property, including livestock.

27 7. No inheritance or estate tax shall ever be levied. [, and there shall
28 also be excepted such property as may be exempted by law]

29 8. *The legislature may exempt by law property used for municipal,*
30 *educational, literary, scientific or other charitable purposes.*