

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Third Session
April 22, 2005**

The Committee on Government Affairs was called to order at 8:14 a.m., on Friday, April 22, 2005. Chairman David Parks presided in Room 3143 of the Legislative Building, Carson City, Nevada, and, via simultaneous videoconference, in Room 4412 of the Grant Sawyer State Office Building, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. David Parks, Chairman
Ms. Peggy Pierce, Vice Chairwoman
Mr. Kelvin Atkinson
Mr. Chad Christensen
Mr. Jerry D. Claborn
Mr. Pete Goicoechea
Mr. Tom Grady
Mr. Joe Hardy
Mrs. Marilyn Kirkpatrick
Mr. Bob McCleary
Mr. Harvey J. Munford
Ms. Bonnie Parnell
Mr. Scott Sibley

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Eileen O'Grady, Committee Counsel
Susan Scholley, Committee Policy Analyst

Michael Shafer, Committee Attaché

OTHERS PRESENT:

John Sande, III, Legislative Advocate, representing the Reno-Sparks Convention & Visitors Authority (RSCVA)

John Sherman, CPA, Finance Director, Office of the County Manager, Washoe County, Nevada

Santana Garcia, Legislative Advocate, City of Henderson, Nevada

Michael Bouse, M.B.A., Director, Building and Fire Safety Department, City of Henderson, Nevada

Nicole Lambole, Legislative Relations Manager, Office of the City Manager, City of Reno, Nevada

Sabra Smith Newby, Legislative Lobbying Team, City of Las Vegas, Nevada

Chairman Parks:

[Meeting called to order and roll called.] Today, we have three bills before us. We'll go ahead and start with S.B. 302.

Senate Bill 302: Repeals limitation on acquiring or disposing of real property on county fair and recreation board in certain larger counties. (BDR 20-1060)

John Sande III, Legislative Advocate, representing the Reno-Sparks Convention & Visitors Authority (RSCVA):

This bill was very straightforward. It came into existence in 1963. The RSCVA, like similar authorities in Nevada, is really called a "fair and recreation board" under our statutes. It's regulated under NRS [*Nevada Revised Statutes*] 244A. This law came into effect in 1963. We really can't find why it came into effect at that point in time. There must have been some dispute, but basically, it says that at any time in a county—and it's only in Washoe County; we are the only fair and recreation board in the state—that if we want to acquire, purchase, lease, sell, or dispose of any real property or engage in any real transaction relating to real property, without prior approval from the board of county commissioners, we can't do whatever we are going to do.

Looking at the legislative history of the bill, we can't find out why it was put into place. There are no Committee minutes or anything like that. So, we're kind of at a loss, but it really doesn't make sense for the RSCVA to have to seek Washoe County's approval before they want to make any transaction in real

property. Obviously, the Board of the RSCVA is represented not only by members from the county, but also members from the City of Reno, the City of Sparks, and other interested parties pursuant to the statute. We think it's time for this to be removed from the statutes so that we are treated like any other fair and recreation board in the state.

Chairman Parks:

I have a question, relating strictly to real property and not other property. Approximately how much real property does the RSCVA have?

John Sande III:

It has the convention center. It also owns two golf courses—which is a little unusual, I have to admit; they were acquired a while ago—and there is a downtown convention center, which was approved by the room tax increase. The authority to do that was approved by this Legislature in 2001. That bill is owned by the City of Reno, but the room tax goes for that project. They do operate that, as well as the Bowling Stadium, but again, those are owned by the City of Reno, and the RSCVA operates them.

Assemblywoman Pierce:

How does one get on the county fair and recreation board?

John Sande III:

You have, at least in Washoe County, two county commissioners, and they are designated by the Washoe County Commission. You have two from the City of Reno, you have one from the City of Sparks, you have one that represents air service—which really is normally designated by the airport—one from the motel industry, one from banking or financial industries, one from the chamber of commerce, one from the visitor's bureau, and three from the largest association that represents casinos in northern Nevada, which, in this case, would be the Nevada Resort Association.

Assemblyman Goicoechea:

The criteria for how the recreation board is set up is established by ordinance, isn't it? It's not really by statute.

John Sande III:

It's set forth by statute. In 244A, it sets up who can be on it, and the various entities designate a candidate for the various positions. For instance, the City of Reno will designate two councilmen, and the same thing with the county.

Assemblyman Goicoechea:

Is that only pertaining to the larger counties? I know that in the rural counties, there has to be one from the motel owners and a real estate person, so I was assuming that was done by local ordinance rather than by statute.

John Sande III:

I believe it is by statute.

Chairman Parks:

We will probably see another bill that will deal with the Las Vegas Convention and Visitors Authority in front of us shortly.

John Sherman, CPA, Finance Director, Office of the County Manager, Washoe County, Nevada:

The purpose of my testimony today is to get a number of issues on the table. The Board of County Commissioners of Washoe County has reviewed this bill. Essentially, our interest in the bill comes from several aspects. Washoe County has backed approximately \$123 million worth of RSCVA bonds. Due to the credit rating of the county, the RSCVA couldn't economically market bonds at attractive rates, so we agreed to back those with the full faith and credit of the county. So, we do have an interest in the properties bought with those proceeds. Also, the county has transferred certain assets used by the RSCVA.

The three issues that we just want to get on the record—and we think we can resolve offline out of the legislative process—have to do with the disposal of the assets that we transferred to the county assessor. We owned those assets. We transferred them to the RSCVA. We want to be reimbursed if those assets are sold for their equity interest, and I think the RSCVA is agreeable to that. Second, on the issue of the outstanding bonds, we do have an agreement with the RSCVA that we believe protects our interest, so nothing will be done to impair the RSCVA's ability to repay those bonds. Finally, there are certain assets that we would like to see, if they're disposed, get used for a similar purpose, or the proceeds from the sale of those assets get more or less used for the same purpose. We do believe that we can come to some memorandum of understanding with the RSCVA regarding these issues, but we just wanted to get these points on the record.

Chairman Parks:

The transfer of any of this property, is there a deed restriction on that? If they fail to use them in any particular manner, will the property revert back to Washoe County?

John Sherman:

I believe there is one property, but the deed restriction would not have it transfer back to us. I believe it would transfer it back to the original owner. We don't have deed restrictions on the property we transferred, but I think there was one property that a developer transferred that was transferred for specific purpose, and if they sell it or otherwise want to dispose of it, that would go back to that developer.

Chairman Parks:

You mentioned a memorandum of understanding. Are you proposing that perhaps something needs to be amended into this bill to put in place the process?

John Sherman:

I don't believe so. I believe the county administration has been corresponding with the RSCVA administration, and I think that we've come to an understanding that we can work out that process with them.

Chairman Parks:

Could you clarify the memorandum of understanding a little further and what it entails?

John Sherman:

The two major points have to do with the assets transferred from Washoe County to the RSCVA for their use. I believe there are certain properties and certain water rights that we transfer where, if those assets are disposed of, we get reimbursed for our equity interests in those assets. The second would be if an asset is currently used for a particular purpose—if those assets are sold—they will subsequently be used for that particular purpose or a similar purpose, or the proceeds will be applied to another asset that would then be of a similar public purpose.

Assemblyman Grady:

John, you do have two of your commissioners that serve on that board. I would assume that they also can bring your concerns to the board, although I realize that a number of people—you're not in the majority there—can bring these issues to the board and discuss it with the entire board. Is that correct?

John Sherman:

Yes, both the county commissioners and the RSCVA board.

Chairman Parks:

We will then close the hearing on S.B. 302 and open the hearing for S.B. 413.

**Senate Bill 413: Revises provisions relating to debt management commissions.
(BDR 30-452)**

John Sherman, CPA, Finance Director, Office of the County Manager, Washoe County, Nevada:

Senate Bill 413 essentially does three things. On Section 2, page 4, it would authorize a county commission to pay a per diem of \$40 for the at-large members of the debt management commission. Section 4, page 7 is kind of the heart and the more significant component of this proposed amendment to the debt management commission bill. Currently, debt management commissions must, within 10 days of receiving a request to consider a proposal, give notice to hold a public meeting within 20 days, and then the debt management commission can only postpone the decision on that proposal for 10 days. I did provide the Committee the description of my testimony ([Exhibit B](#)), so you'll have that available.

During certain periods of time, we get proposals submitted in a serial fashion, so the debt management commission can't look at the entirety of the different proposals in one hearing or series of hearings. They have to make decisions on proposals as they come in. All this amendment would do would be to broaden the time frame from 10 days to 60 days. So, once they get proposals, if other entities have proposals in the wing but haven't had an opportunity to submit them to the debt management commission, this would allow that to happen. It won't totally cure that problem, but I believe it will give them more flexibility to be able to hear all proposals in a similar period of time. This is important to counties that are near the \$3.64 property tax cap, and also allow other entities that may have proposals that have not quite been completed to finish their work and get their proposals in front of the debt management commission.

Finally, Section 6, on page 7, would change the deadline for filing a local government's five-year capital improvement plan from July 1 to August 1. The issue here is that local governments have to complete and file their final budget by, essentially, the first part of June, with the exception of a legislative year. They have 30 days after the close of the legislative session to amend their final budget. Their final budget has to contain the capital expenditures that are reflected in the five-year capital improvement plan. With these compressed time frames, trying to get that done in that document sometimes can be rather complicated and lengthy. Turning it right around and submitting it to the appropriate authorities is somewhat of a burden, and we believe that if we just extend that by 30 days to give us a look and more time to complete that document, that will help us out.

Assemblywoman Parnell:

Could you just tell us a little bit about page 4, the new section with the new language on compensation?

John Sherman:

There are at-large members. Essentially, debt management commissions are comprised of elected officials from cities and counties and schools, but there are also at-large members. Those at-large members currently serve without compensation, and some of these proceedings can stretch many days, many hours of commitment for these at-large members. The Washoe County Commission has suggested that some form of compensation would be appropriate for these members. I think the \$40 mentioned in the bill is somewhat of a minimum, in terms of statutory reference to compensation of members who sit on like committees.

Assemblyman Hardy:

As former member of the Clark County Debt Management Commission, this makes a lot of sense, looking not only at the \$3.64 cap, but we were tasked to review things when it got to 90 percent, which was \$3.27, I think. So, we would have to look at all of those things that came within 90 percent of the cap, and that became an issue—even that 90 percent. So, it captures a lot of people who would be doing that long before the \$3.64.

Assemblyman Grady:

Who would pay the \$40?

John Sherman:

That would be the county commission, and again, it's authorizing this to happen. It's not mandating. So, if the board chooses so, it could pay the at-large members.

Assemblyman Grady:

Have you discussed this with the other counties or cities or anyone? Is everyone in agreement with this?

John Sherman:

The short answer is yes. We actually did have, over a fairly extended period of time, a number of discussions. We processed these concepts through the Committee on Local Government Finance, which is the advisory body to the Department of Taxation and the Nevada Tax Commission. So, we had a number of deliberations in this around the state. It was a fairly inclusive process and took over two years to wind its way around. Then, we finally agreed to carry

the bill, because our commission felt this was important enough to bring forward to your Body.

Chairman Parks:

We'll close the hearing on S.B. 413 and open the hearing on S.B. 424.

Senate Bill 424 (1st Reprint): Revises provision governing authority of governing body of city to abate abandoned nuisance. (BDR 21-343)

Santana Garcia, Legislative Advocate, City of Henderson, Nevada:

Senate Bill 424 is the City of Henderson's bill that was introduced by the Senate Committee on Government Affairs. Here to speak to the merits of the bill, we have our Director of Building and Fire Safety, Michael Bouse.

Michael Bouse, M.B.A., Director, Building and Fire Safety Department, City of Henderson, Nevada:

Senate Bill 424 amends NRS [*Nevada Revised Statutes*] Section 268, which deals with the abatement of abandoned properties and buildings. These statutes were put into NRS in the 2001 Legislative Session, providing a tool for local jurisdictions to deal with deteriorating property, as opposed to property which has substantially deteriorated to the point that it's dangerous. We currently have the tools to deal with those types of buildings, but what we don't have are tools that allow us to arrest the deterioration of buildings. This is enabling legislation. It says that Cities and counties with a population of over 100,000 can adopt an ordinance to deal with these types of properties by seeking court action and court intervention.

Under current statutes, two things have to occur in order for the city to get court action to take these types of properties. The first is that the property has to be vacant for two years, and the second thing that has to occur is that three or more instances of what has been defined in the statute as "abandoned nuisance activity" have to occur on this property. That statutes list eight different abandoned nuisance activities, which include unlawful breaking and entering, unsanitary conditions, or the presence of garbage, debris, and other environmental hazards.

In Henderson, we're in the process of creating a property maintenance code, and in that property maintenance code, we would like to provide provisions to seek court interventions under the provisions of this statute. Our focus group has looked at these statutes, and they are of the opinion that two years is just too long to allow property to deteriorate before the city can seek court action.

They also think that three nuisance activities in a twelve-month period are too many, and they would like to see that reduced to two.

[Michael Bouse, continued.] In terms of due process protections, the statutes do provide that all abatement actions undertaken by jurisdictions have to be under the auspices of a court of competent jurisdiction. So, our city attorney would have to go to court, file the appropriate legal papers, give due notice by certified mail—return receipt requested—to the property owner, and the property owner has appeal rights to the court.

Assemblywoman Kirkpatrick:

Currently, in a lot of the mature sections, we have this problem more often than not. What is the process? Two years seems like a long time to see a boarded-up house. Who goes out to constantly board up the house? Are those fees attached with the existing owner?

Michael Bouse:

If the property owner is unresponsive, the local jurisdictions do that, and our statutes provide for us accessing that as a lien against a property.

Assemblywoman Kirkpatrick:

How long does it actually take for the cities to be reimbursed?

Michael Bouse:

There was a statutory change last legislative session, and now those types of liens are like any other part of your tax bill. Those have to be paid annually.

Assemblywoman Kirkpatrick:

What percentage of these homes do you see in your city?

Michael Bouse:

In our city, it's a pretty small percentage at this point in time, but they're very sensitive. They're typically in neighborhoods with small children. Our city council had one bill that was presented with a petition signed by 400 residents, who asked the county to initiate this property maintenance code. They do deteriorate the neighborhoods and do attract unsavory individuals.

Chairman Parks:

I'm just curious whether my home would be considered "substantially vacant" while I'm up here. If so, would that broken down Rambler in my front yard and the overgrown grass constitute a nuisance? Just a thought.

**Nicole Lamboley, Legislative Relations Manager, Office of the City Manager,
City of Reno, Nevada:**

We did talk with Henderson prior to this legislative session and are very supportive of it. We also have some abatement and nuisance legislation that will be considered by the Assembly, which has passed out of the Senate.

Property code enforcement has been a big issue for the City of Reno, and we've worked with our residents—similar to Henderson—to clean up some of the abandoned nuisances that we've found in our residential neighborhoods. We've gotten great response from the residents as we've improved their neighborhoods, so we are very much in support of this legislation.

Sabra Smith Newby, Legislative Lobbying Team, City of Las Vegas, Nevada:

We also are in support of this bill. It has been a priority of our city council for several years now. They even adopted one of the seven priorities—to revitalize and invigorate mature areas. As you know, the City of Las Vegas is celebrating its hundredth year this year, and we do have some areas that we are constantly looking at to revitalize. This bill will help us with that.

Chairman Parks:

Is there anyone else in the audience who would like to speak on S.B. 424? Not seeing any, we'll go ahead and close the hearing, and that takes care of matters in front of the Committee this morning. If there's nothing further to come before us, we are adjourned [at 8:41 a.m.].

RESPECTFULLY SUBMITTED:

Paul Partida
Transcribing Attaché

APPROVED BY:

Assemblyman David Parks, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: April 22, 2005

Time of Meeting: 8:14 a.m.

Bill	Exhibit	Witness / Agency	Description
N/A	A	*****	Agenda
<u>S.B.</u> 413	B	John Sherman / Office of the County Manager, Washoe County	Prepared testimony on S.B. 413