

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

**Seventy-Third Session
May 2, 2005**

The Committee on Government Affairs was called to order at 9:11 a.m., on Monday, May 2, 2005. Chairman David Parks presided in Room 3143 of the Legislative Building, Carson City, 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. 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:

Mr. Kelvin Atkinson (excused)
Mr. Chad Christensen (excused)

GUEST LEGISLATORS PRESENT:

Senator Dina Titus, Clark County Senatorial District No. 7

STAFF MEMBERS PRESENT:

Eileen O'Grady, Committee Counsel
Susan Scholley, Committee Policy Analyst
Michael Shafer, Committee Attaché

OTHERS PRESENT:

Scott Sisco, Interim Director, Nevada Department of Cultural Affairs

Allen Biaggi, Director, Department of Conservation and Natural Resources, State of Nevada

Hugh Ricci, P.E., State Engineer, Division of Water Resources, Department of Conservation and Natural Resources, State of Nevada

Kaitlin Backlund, Political Director, Nevada Conservation League, Reno, Nevada

Joe Johnson, Legislative Advocate, representing the Sierra Club Toiyabe Chapter, Reno, Nevada

Jennifer Lazovich, Attorney at Law, Kummer Kaemper Bonner & Renshaw, Las Vegas, Nevada

Kimberly J. McDonald, M.P.A., Special Projects Analyst and Lead Legislative Lobbyist, City Manager's Office, City of North Las Vegas, Nevada

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

Carole Vilardo, President, Nevada Taxpayers Association

Chairman Parks:

[Meeting called to order and roll called.] We have three bills on the agenda today. Senate Bill 4 was referred to Government Affairs, and after reviewing the bill, it appears that it is a bill more appropriately sent to Ways and Means. We're probably going to re-refer the bill.

Senate Bill 4: Makes various changes relating to Commission for Cultural Affairs. (BDR 18-398)

Scott Sisco, Interim Director, Nevada Department of Cultural Affairs:

With me is Ron James, the State Historic Preservation Officer. We agree the bill is clearly a money bill. Senate Bill 4 basically reauthorizes the Commission for Cultural Affairs. The Commission for Cultural Affairs was basically authorized and funded back in 1991 and 1993, respectively, and it provides funding for centers that save historic buildings throughout the state. It had a ten-year reauthorization requirement, and that's basically what the bill does. We'd be happy to answer any questions, but we agree with you that the best thing for this bill is to move it on to Ways and Means as quickly as possible.

Chairman Parks:

I realize that it is a request for an increase from \$2 million to \$3 million. Is \$3 million sufficient?

Scott Sisco:

Absolutely not, but with \$3 million, we're going to be able to do 33 percent more than we've been able to do the last ten years with \$2 million. That is \$3 million, and we do a tremendous amount with this money. It's matched dollar for dollar by the grantees, so we look forward to a very successful report in another ten years.

ASSEMBLYMAN SIBLEY MADE A MOTION TO RE-REFER SENATE BILL 4 TO THE ASSEMBLY COMMITTEE ON WAYS AND MEANS WITH NO RECOMMENDATION.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (Mr. Atkinson and Mr. Christensen were not present for the vote.)

Chairman Parks:

The next bill on our agenda this morning is Senate Bill 216.

Senate Bill 216 (1st Reprint): Eliminates Division of Water Planning of State Department of Conservation and Natural Resources and transfers former duties of Division to newly created Water Planning Section. (BDR 18-469)

Allen Biaggi, Director, Department of Conservation and Natural Resources, State of Nevada:

Senate Bill 216 will modify the way water planning is done within the state of Nevada. Historically, water planning was a separate division within the Department of Conservation and Natural Resources. This bill will modify that organizational structure and make it a section in that office of the Division of Water Resources under the State Engineer, and in Section 6, it also modifies some of the duties and responsibilities of that program

Chairman Parks:

I know that Senator Titus is planning to join us momentarily. Committee members, do you have questions?

Assemblywoman Pierce:

In Section 6.5, it says, "Compile and update summarized data relating to hydrographic basins to support decisions that the State Engineer makes regarding such basins, and provide summarized information regarding such basins to the public." Shouldn't we just be compiling data on this subject? I'm a little concerned about the "support decisions" part. Shouldn't we be at least trying to make an effort to be gathering a wide range of data and having that available, not tailoring it to the decisions of the Department?

Allen Biaggi:

I think I understand your question. The State Engineer's Office has the duty and the responsibility to compile and make available to the public all information related to water availability and water use within each basin of the state. What this does is it allows summarization of that information to provide to the public—and to other local, state, and federal governments, for that matter—as the need arises. This doesn't preclude the fact that the State Engineer has more data than is outlined here—and that data is always available to the public—but this is a compilation and summarization of that data to help support the decisions that the State Engineer makes. I hope I answered that correctly, but there's a good, broad base of information that the State Engineer does have with regard to water availability to each basin within the state. Maybe I'll let Mr. Ricci make a comment on the handout that he just provided ([Exhibit B](#)).

Hugh Ricci, P.E., State Engineer, Division of Water Resources, Department of Conservation and Natural Resources, State of Nevada:

What I've passed out will hopefully answer Ms. Pierce's question. It's really not the data that's going to support the decision; it's almost really the reverse of that. The State Engineer is going to rely on this information that's supplied on this particular sheet ([Exhibit B](#)). We do inventories in various places. In this particular example, we do not do an inventory in it, but we do know how much water is available. We have it broken down by sectors, of the types of use, we have any kind of reference as to what orders or rulings have been issued in that particular basin, and we have one of these for each one of the basins within the state.

Assemblywoman Pierce:

That wording still concerns me a little bit. My other question: is there any idea that this chief should have some level of education or some area of expertise in water? Maybe that's something to think about.

Hugh Ricci:

In Section 5: "The chief must be selected with special reference to his training, experience, capability, and interest in the field of water resources planning." It's on lines 34 through 38, on page 2.

Senator Dina Titus, Clark County Senatorial District No. 7:

I appreciate the information that you've already heard from the experts, but if I could give you just a minute's worth of background, I'd appreciate it. It's my belief that water planning is too important to leave solely to local governments, especially in today's world, where so many water decisions are crossing jurisdictional lines. Water basins, as you know, don't adhere neatly to artificial political boundaries, and water basin transfers are becoming more and more a part of water policy that's being debated and decided. For example, right now, Clark County is reaching out further and further to obtain more and more water in order to sustain this high rate of growth. That water is located across county lines in rural Nevada, but we all know that Lincoln and White Pine Counties don't have the resources or political clout to negotiate on an equal footing with Clark County. That's why I believe that the State needs to take a more active role in this process as mediator, planner, and clearinghouse. It's up to the State to ensure that all Nevadans are protected when it comes to using our most precious resource. We need to be sure that Clark County has enough water to grow, and also that agriculture in rural Nevada can be sustained, that the environment can be protected, that springs don't dry up and wildlife doesn't die off, and that rural Nevada can also derive some economic development benefit from any water exchanges that might occur. Those are the reasons that I've brought this bill forward, to reorganize and beef up the Division of Water Planning and reinstitute the advisory committee.

You can tell this is an amended version. I worked on the Senate side with Mr. Biaggi and the Water Planner to try to affect that reorganization. If you read the summary of the bill, it's misleading. It says that we are eliminating the Water Planner. By the time you've finished looking through the bill, you see that's not the case. It's a reorganization. I don't want to eliminate the Water Planner; I want to beef up the Water Planner, and I think that's the end result of what we've done here.

Chairman Parks:

I appreciate your remarks. I looked at the bill, and I was more interested in the bill as to what was being struck out of the bill—as opposed to the new language that was being added in—although it appears to be quite comprehensive. Being a person who's done a lot of administration and organization, I often think of the division as higher than a section. So, the appearance of reducing this to a chief of a section from an administrator of a division looked like it was being

assigned a lower priority. From your testimony, I understand that was not the case. It was basically more streamlining within the department.

Senator Titus:

I don't want to do anything that makes this less of a priority. I think this is very important, and by moving it and reorganizing it, I think it will play a larger role in the decisions that are being made. If you reinstitute the advisory committee, you'll get more input from the community than we've gotten in the last couple of years.

Assemblyman Goicoechea:

I commend you for bringing this forward, and I couldn't agree more. We do need to compile the data. I think we were looking for something like that on this side of the House, especially statewide. My biggest concern is that the advisory committee—and I'm a little bit nervous the way I added it up—looks like a 23-member board, some of them are voting and some are nonvoting. I'm a little nervous that it might be very cumbersome.

Senator Titus:

I agree with that. The committee kept getting larger and larger. I was afraid that if we get that many people, then you won't be very effective. The problem is, who do you eliminate? Everyone wants to be on this because it is such an important issue. If you can figure out a way to streamline that advisory committee, I certainly wouldn't object to that.

Assemblyman Goicoechea:

This probably would go back to Allen or Hugh. Realizing that local governments do have the ability to petition the Governor for a groundwater board to be put in place, how would that fit? I could see this happening somewhere down the road with some of these rural counties.

One point I would like to make: in your comments, you talk about sustaining the rurals, and we would like to have at least enough left to grow a little bit too. How are we going to dovetail back into the authority of a Governor-appointed groundwater board, and how would that fit with this water planning commission?

Allen Biaggi:

I think you bring up a good point. The reference you make is with regard to a local county or jurisdiction identifying their own board for managing water resources, which then provides input to the State Engineer. I think that that's a bit of a different body than what we're taking about here. I think this is more of a planning effort—data compilation—working with the locals throughout the

state on their own water plans. The body you're referring to that's allowed within the statute is more specific to a certain groundwater basin or a certain region of the area, their specific groundwater concerns, and the specific decisions of the State Engineer within that area. I think it's a little different in complexion. One's got more of a statewide emphasis. The board you're talking about is more local. There have only been a couple of those that have been generated or organized over the life of the State Engineer's Office. It may seem to come and go, but it's really advisory in providing input to the State Engineer on his decision-making processes.

Assemblyman Goicoechea:

I guess that's where I'm coming from. I can see the creation of the statewide water planning division. I can see local governments, again, looking at this 23-member board—and maybe they have a seat on them and maybe they don't—and some of the smaller local governments bringing this groundwater board that would take care of those basins within their jurisdiction, and I want to make sure that what they can bring forward can fit into this process so that it all becomes part of one document rather than having four or five. I realize that they haven't been used much, but if push comes to shove, we're likely to see more of those being requested.

Senator Titus:

As you look at the membership of this board, I think you might want to consider putting someone who's on one of those boards on this one, because one of the problems we often find is the right hand doesn't know what the left hand is doing, and then we end up duplicating efforts. We wouldn't want to do that, so maybe you can figure out when you look at the membership how to bring those two into intersection.

Assemblyman Goicoechea:

That's all I'm really looking for. I want to make sure that they can fit together if we do have a county. I'm sure the State Engineer understands that. If we have a county, we have a groundwater board together under the Governor, and then they come up with a set of plans that says one thing, and yet we've got his statewide advisory planning board saying that we're looking at the broad base. We've got to make sure those components fit.

Assemblyman Grady:

Although the dollar amount is very little for all of this, is this in the Governor's budget? How would this be funded?

Senator Titus:

It is not in the Governor's budget, and this did not go through Senate Finance. It seemed to be minimal, and everything in the world goes to Senate Finance, so I don't know how we missed it.

Assemblyman Grady:

That's why I had to ask you.

Assemblyman Goicoechea:

Clearly, there would be fiscal impacts to the State Engineer's Office with the change on this, aside from the stipends that are being paid to the board members? I'm assuming you would have to ramp up a kind of downscaled water planning.

Allen Biaggi:

The executive agency fiscal note for this bill is approximately \$250,000 the first year and \$216,000 on future years. That is to staff up the water planning office—as you indicated, board members, travel, per diem, and that sort of thing—and so it's a modest amount of money for the efforts that I think will be ongoing.

Assemblyman Goicoechea:

In all fairness, for a half a million dollars, we're not going to buy a lot of planning over a two year period. I'm concerned about that. Are you going to commit some in-house resources? I would like to see a little more money involved in that, and I think we were looking for \$10 million for this thing.

Allen Biaggi:

I think it's important to note that there are already people doing much of this work. There is staff within the State Engineer's Office that is already doing planning, flood plain management, drought planning, and those kinds of things, and this puts further staff into that effort. These are just additional resources on top of what is already being done. This fiscal note does not tell the whole picture of water planning within the state. There are additional resources that are ongoing.

Chairman Parks:

Have you requested the funding for this in your budget for this program?

Allen Biaggi:

We have not.

Chairman Parks:

So, then it would be necessary that it be rereferred to Assembly Ways and Means for funding consideration. Otherwise, you get all this nice verbiage but no money to do any of it.

Kaitlin Backlund, Political Director, Nevada Conservation League, Reno, Nevada:

I think it's really important to recognize that it was an action by our current Governor, Kenny Guinn, that initially eliminated the Division of Water Planning. This Division had been established by former Speaker Dini. It had been eliminated once before. It had been reestablished and then it was eliminated again by the current Governor. At that time, the Nevada Conservation Community was deeply disturbed by that action, and I personally led a public effort to try and convince the Governor to do otherwise and reinstate the Division.

I don't think it was the original intent of the sponsor, but in part what this bill does is catch-up with some housekeeping, essentially eliminating a lot of the language that went along with that original division. I would say that the bill goes a lot further than that. What it does is it brings this role back to the Division of Water Resources, which is a real plus for this state, being one of the most arid in the country. In particular, given that explanation, we are in support of the bill as it's written. We are particularly pleased to see number 8, at the top of page 5, where there's language pointing to assist federal, state, and local governments and the general public in obtaining information regarding water planning, the availability of water, and issues relating to water rights. I think it's very important that we head in the direction of having a more transparent process in the State Engineer's Office, and I think any efforts that can be made toward opening up information to the general public is helpful. There are also some components of this bill that talk about posting information on the Web. Again, I think the more information that's available to a broader spectrum of Nevadans that are concerned about water planning and water resources, the better.

Joe Johnson, Legislative Advocate, representing the Sierra Club Toiyabe Chapter, Reno, Nevada:

We'd like to go on record in supporting this bill. We also appreciate that enactment of this legislation will increase the ability of the public to participate and gather information—knowledge—and we certainly commend the prime sponsor in recommending its passage.

Chairman Parks:

Is there anyone else in the audience who would like to speak in favor of S.B. 216? Is there anyone in the audience who would like to speak in opposition

to S.B. 216? I guess in light of the fact that it needs to go to Ways and Means so that it can be considered for the budget, I would accept a motion.

ASSEMBLYMAN GOICOECHEA MADE A MOTION TO DO PASS SENATE BILL 216 AND RE-REFER TO THE ASSEMBLY COMMITTEE ON WAYS AND MEANS.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED. (Mr. Atkinson and Mr. Christensen were not present for the vote.)

Chairman Parks:

The next bill on our agenda today is Senate Bill 218.

Senate Bill 218: Revises provisions relating to licensing and taxing of certain persons by local governments. (BDR 20-789)

Senator Dina Titus, Clark County Senatorial District No. 7:

Senate Bill 218 is a pretty straightforward, simple bill. It clarifies that professionals who are employees of a firm or business cannot be required by a local government to obtain a business license and pay a business license fee. This seems kind of obvious, because the purpose of a business license is to permit local governments to license businesses, not employees. However, some local governments were trying to do both: requiring professional employees—for example, engineers at an engineering firm—to buy additional business licenses. This bill would prohibit that practice, and in doing so would also conform local government treatment of professional employees with the State Department of Taxation practices. We worked with local governments to be sure that they would be kept whole in this process, and I think some of them are here to testify in favor of it as well.

Assemblyman Hardy:

So, a doctor would not have to have a business license if they work for Fremont Medical Center, which I'm disclosing now that I work for?

Jennifer Lazovich, Attorney at Law, Kummer Kaemper Bonner & Renshaw, Las Vegas, Nevada:

Under Title 54, in Section 1, subsection 3, it goes through the criteria for a professional and what is defined as a "professional." For example, it references those types of occupations that are governed under NRS [*Nevada Revised*

Statutes] 622.060, and in looking at that, I don't see anything related to medicine in general. There's chiropractic, there's nursing, and homeopathic medicine. If it falls within this particular title, and it meets the other two criteria, which is that you've also obtained a bachelor's degree or higher degree, and then subsection (c) basically means that you have to get a W-2, in that particular instance, if you meet all three of those criteria, you, as the professional who works for a larger business, would not have to get your own business license.

Assemblyman Hardy:

Have the local governments looked at that particular issue?

Jennifer Lazovich:

With respect to doctors?

Senator Titus:

I was just going down this list. It's amazing: architecture, landscape, contractors, engineers, environmental health specialists, financial planners, and healing arts. Here's physicians: 630. So, if you are a physician employee, then you would be covered.

Kimberly McDonald, M.P.A., Special Projects Analyst and Lead Lobbyist, City Manager's Office, City of North Las Vegas, Nevada:

To stay consistent, we did voice our support for this measure as well, brought forth by the Senator. We definitely support this. We'll work with her on the intent. It will still keep the local governments whole. In fact, we will be able to administratively impose the fees based on the firm instead of the individual. We will not lose anything.

Chairman Parks:

I was looking on here at page 2, line 30: "has obtained a bachelor's or higher degree in a particular field of study...and practices his profession for any type of compensation as an employee." I know we spoke briefly earlier, and I'm just curious. Since the good doctor did his disclosure, I'll disclose that I have a real estate license. I'm a licensee from the State, and I do have my license hanging in a real estate brokerage firm that is in the limits of the City of Las Vegas. For that privilege, I pay a fee to the State and a fee to the City of Las Vegas. Would I be included or excluded?

Jennifer Lazovich:

It would depend entirely on whether or not you meet under Section 1, subsection 3(a) through 3(c). For example, in subsection 3(a), you're clearly included. When you read down, it includes the various real estate brokers and

salesmen license that you referred to. However, you would also have to meet subsection 3(b) as well as 3(c). Subsection 3(c), in particular, is very important. What we were trying to do there was basically get to those who receive a W-2. If you are working on your own, making your own money, and you're not receiving a W-2 for any of your work, then you wouldn't be pulled into this. We're specifically trying to target it to people who are employees. One aspect of that is a person who receives a W-2 from their employer at the end of the year. I don't mean to answer your question with a vague response because I don't want to ask you if you get a W-2, but it comes back to that. If you meet those three criteria, you would not have to get a business license. It would come from the business you were working for.

Assemblyman Sibley:

I need to disclose for the record that I have a real estate license that I have in Douglas County. I don't receive a W-2; I'm a 1099 person. So, it won't affect me any differently than anyone else, and I will vote.

Assemblyman Claborn:

Senator, do we have a lot of PLSs [professional land surveyors]? Would this pertain to them if they do bid work? Would this exclude them?

Senator Titus:

Under the professions and occupations, if they are an engineer or a surveyor, they would be included in the bill. If they own the company or they are independent contractors and do the bid work, then they still have to get a license. If they are a surveyor who works for a company, the company would have to get a license, but they would not have to get an additional license. If they get a W-2 from the company, they would not have to get an additional license. That was the problem. Some local governments were charging the company and the individuals. With this, you would just charge the company.

Assemblyman Goicoechea:

Just a clarification on that: If he did do any outside work at all under a contract situation, he would have to be licensed.

Chairman Parks:

One of the other things that Ms. Pierce asked me about was "has obtained a bachelor's degree." You don't need a bachelor's degree to be a realtor or have a real estate license. That's a further clarification.

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

We are also in support of this bill. We worked in conjunction with the bill's sponsors on some of the language, and I echo many of the comments from my

colleague from North Las Vegas that the language does not preclude local governments from feeing the business based on the number of professionals.

Assemblyman Munford:

Many people come to my home to do odd jobs, like handymen. Are handymen included in this for licenses and so forth? Handymen aren't contractors, but they're not included in this?

Jennifer Lazovich:

I don't believe that they would be included in this because of the three criteria. I don't see them listed.

Assemblyman Munford:

I didn't see them listed either; that's why I'm asking.

Jennifer Lazovich:

I believe they probably wouldn't be receiving a W-2. In other words, sometimes what you pay them goes directly to them and it stays with them; it's not routed through an employer.

Carole Vilardo, President, Nevada Taxpayers Association:

I'm speaking in support of S.B. 218. I can just say this bill is long overdue. It has been a problem for many of the professionals, because we have some license codes that not only license the business, but every single person who qualifies as a professional. This will make life much easier. Obviously, it's not going to impact revenue if the local governments don't want it, because they just changed their license fee structure.

Chairman Parks:

Could you tell us a little more on how they would change their license fee structure?

Carole Vilardo:

License fees are done by ordinance. If there was a need to make up revenue, they would have a public hearing. They would propose an ordinance, there would be a business impact statement that would be done, and they would then redo their licenses and the fee structure. Interestingly enough, in Clark County, there was an association—formally or informally, I'm not sure—of the various license directors within the county who try to keep their business license language consistent. So, this has been a well-established practice.

Chairman Parks:

Is there anyone else who would like to speak in favor of S.B. 218? Anybody who would like to speak in opposition to S.B. 218? Not hearing any, we'll go ahead and close the hearing on S.B. 218. I don't believe we have anything further to come before us this morning. We are adjourned [at 9:53 a.m.].

RESPECTFULLY SUBMITTED:

RESPECTFULLY SUBMITTED:

Michael Shafer
Recording Attaché

Paul Partida
Transcribing Attaché

APPROVED BY:

Assemblyman David Parks, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: May 2, 2005

Time of Meeting: 9:11 a.m.

Bill	Exhibit	Witness / Agency	Description
N/A	A	*****	Agenda
<u>S.B.</u> <u>216</u>	B	Hugh Ricci / Department of Conservation and Natural Resources	Data on the Hydrographic Area of Northern Nevada