

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON NATURAL RESOURCES, AGRICULTURE, AND  
MINING**

**Seventy-Third Session  
March 23, 2005**

The Committee on Natural Resources, Agriculture, and Mining was called to order at 1:35 p.m., on Wednesday, March 23, 2005. Chairman Jerry D. Claborn presided in Room 3161 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. Jerry D. Claborn, Chairman  
Mr. Kelvin Atkinson, Vice Chairman  
Mr. John C. Carpenter  
Mr. Mo Denis  
Mr. Pete Goicoechea  
Mr. Tom Grady  
Mr. Joseph M. Hogan  
Mrs. Marilyn Kirkpatrick  
Mr. John Marvel  
Ms. Genie Ohrenschall  
Mrs. Debbie Smith

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Paul Townsend, Legislative Auditor, Audit Division, Legislative Counsel  
Bureau  
Amber Joiner, Committee Policy Analyst  
Mary Garcia, Committee Secretary

Matt Mowbray, Committee Assistant

**OTHERS PRESENT:**

Pam Wilcox, Administrator, Division of State Lands and Division of Conservation Districts, Nevada Department of Conservation and Natural Resources

**Chairman Claborn:**

[Meeting called to order at 1:35 p.m. Roll called.] Today we had three bills scheduled for our work session, but we're not going to consider three bills. I'm going to assign A.B. 86 to a subcommittee.

**Assembly Bill 86: Requires addition of bittering agent to certain antifreeze to render it unpalatable. (BDR 51-999)**

Ms. Ohrenschall will be the chairman of the subcommittee, and Mrs. Kirkpatrick, Mrs. Smith, Mr. Grady, and Mr. Goicoechea will be the members. I'd like to get a recommendation back from that subcommittee as quickly as possible. We never had a written amendment on this bill. If anyone out there wishes to propose an amendment to A.B. 86, they can submit it in written form at the subcommittee meeting.

I am going to start the work session on A.B. 33.

**Assembly Bill 33: Revises provisions governing sale of state land. (BDR 26-664)**

**Amber Joiner, Committee Policy Analyst:**

[Read from Work Session Document (Exhibit B).] Assembly Bill 33 was sponsored by the Assembly Committee on Natural Resources, Agriculture, and Mining on behalf of the Division of State Lands. It was heard on February 28. Assembly Bill 33 expands the methods by which the State Land Registrar may sell land owned by the State of Nevada, to include any manner in which competitive bids or offers may be obtained from the public.

This measure also provides for the direct sale of land when no competitive bid or offer is accepted or made on the land. In such a case, the State Land Registrar must determine, based on the circumstances, whether to provide public notice. As for a summary of some of the issues raised, Pamela Wilcox, Administrator of the Division of State Lands, indicated that this bill will

modernize Nevada's laws regarding the disposal of lands, which has not been changed for nearly 50 years. This bill allows more innovative ways to sell lands besides the traditional auction or sealed bids, such as using the Internet or a combination of methods.

[Amber Joiner, continued.] Subsection 8 also allows the Division to accept a bid or offer for land that has failed to receive a competitive bid at auction without providing public notice. Ms. Wilcox explained that, currently, the Division cannot sell land that has not received a bid at auction without starting the entire process over, posting public notices for weeks, and having the property appraised, which costs time, money, and the potential loss of the buyer.

There was no testimony in opposition to the bill. However, some members of the Committee were concerned that public notice would not be required. Ms. Wilcox was asked if a 90-day limit would be acceptable, and she said it would be.

A proposed conceptual amendment was the suggestion, by some members of the Committee, of a 90-day limit. If the State Land Registrar does not receive or accept a competitive bid or offer, then the land may be directly sold within 90 days of the close of the original auction or bid process.

There was no fiscal impact on this bill.

**Assemblyman Goicoechea:**

I know the testimony said that, but it said the land would have to be reappraised. I believe an appraisal is generally good for at least a year, so I don't buy that argument. On the conceptual amendment, I don't necessarily think this is due process, even with the 90-day limit. Local governments have to advertise every time they sell property. I think if the State offers property and doesn't get a bid, they should go back and comply with the law.

I still have some reservations about having the ability to direct-sell. This section says, ". . . sold at a price equal to the fair market value, including the expenses." However, it doesn't go into any dialog about what terms or conditions you could offer on that particular sale. You might be able to make that somewhat different from the initial offering. My personal preference would be to delete Section 8 and pass the rest of the bill.

**Assemblyman Carpenter:**

Section 8 says, "If the State Land Registrar does not receive or accept a competitive bid or offer to purchase." I guess that would mean that the bid they had was not in line with the appraisal. My feeling is the same as

Mr. Goicoechea's, that if we don't give public notice and let the public know about this land, we can get into trouble doing it that way. I don't know whether they've tried to do it on the Internet, but the treasurer in Elko is achieving good results by putting it on the Internet and selling it for a lot more than the bid needs to be.

**Assemblyman Hogan:**

I tend to be persuaded by what my two colleagues said. By representing a district in the center of Las Vegas very near the airport, I'm also very much aware that it's not a very good atmosphere, in terms of public opinion, to appear to be restricting the notice and the public nature of the selling of State property. I think, at this particular time, we need to err on the safe side, and the side that might require a bit more administrative effort. Also, the suggestion of using the Internet may make the times we get no bids less frequent. Those two quite different thoughts might come together quite serendipitously.

**Assemblyman Marvel:**

Ms. Wilcox, how often does this happen?

**Pam Wilcox, Administrator, Division of State Lands and Division of Conservation Districts, Nevada Department of Conservation and Natural Resources:**

We don't sell land often, because the State doesn't have much land. We probably sell two or three pieces a year, and we, over the last six years, have maybe had a half dozen that have not sold. You'll recall the parcel in Elko that was the NDOW [Nevada Department of Wildlife] office near the airport. We offered that twice, and both times had no bidders, although we had had people express interest. Both times people came into the office within a day or two after the auction and said they had found out about it late and wanted to buy it. I can't say it happens often, because we don't sell land often, but it does happen.

**Assemblyman Marvel:**

How did you dispose of that property?

**Pam Wilcox:**

We finally did dispose of it. As I recall, it was the third try.

**Assemblyman Marvel:**

Did you have to go through the bid process again?

**Pam Wilcox:**

We went through the bid process each time we offered it. The process, as you'll see in Section 4 of the bill, would cause notice of sale to be published

once a week for four consecutive weeks in a newspaper of general circulation published in the county where the land to be sold is situated and in such other newspapers as are deemed appropriate. We generally do more than that. We also put out press releases. We have it on our website. We do advertise on the Internet. We advertise everywhere we can. We have a big sign we put on the parcel of land that says it's State land for sale. We work hard to make these go, and when they don't go, we have to go back to square one again, and staff is swamped.

[Pam Wilcox, continued.] We're just trying to make things a little more efficient and respond more to the public. It is certainly not our intent to not give notice. We have just given all this notice. We've just had a sale, so we've just done all of these notices.

**Assemblyman Marvel:**

Do you have to sell at the appraised price? Can't it be lower than the appraisal?

**Pam Wilcox:**

We cannot, under any circumstances, go below the appraisal, under existing law or under this new statute. The minimum bid must always be set by the appraisal.

**Assemblyman Marvel:**

How does this differ from what local government does? That's what I'm hearing from two former commissioners.

**Pam Wilcox:**

I really don't know in detail what local government does. I know some of the local government statutes require two appraisals. I'm sorry; I can't really respond to that.

**Assemblyman Marvel:**

I don't have much difficulty with the bill.

**Assemblyman Goicoechea:**

Local government doesn't have the option of direct sale. If it doesn't sell, you go back and readvertise it. I believe a new appraisal would not be required as long as that parcel sold within a year.

**Pam Wilcox:**

That's correct. It would depend on when the appraisal was done and what market we're in. In rural Nevada, typically a year is good. In Clark County, we consider six months to be the maximum.

**Assemblyman Goicoechea:**

That's fine, but I think the real issue is that we require local government to comply with it. I don't see any reason to let the State not comply.

**Chairman Claborn:**

My feeling on this is that if they don't sell that property, then, naturally, they should go ahead and advertise it again. They make so much money from this property that the problem can't be they don't have any money to advertise. They sell these parcels for so many thousands of dollars an acre now, I'm sure there's plenty of money.

**Assemblyman Marvel:**

Are you suggesting an amendment? [Chairman Claborn replied affirmatively.]

ASSEMBLYMAN GOICOECHEA MOVED TO AMEND AND DO  
PASS ASSEMBLY BILL 33.

ASSEMBLYMAN CARPENTER SECONDED THE MOTION.

THE MOTION CARRIED. (Mr. Denis was not present for the vote.)

**Chairman Claborn:**

The next bill we have is A.B. 3. I would like to get Mr. Townsend from the Audit Division to come up here. This has been a controversial bill, as well. I think Mr. Townsend can answer just about any question about the bill.

**Assembly Bill 3: Requires Legislative Auditor to conduct performance audit of Department of Wildlife. (BDR S-493)**

**Paul Townsend, Legislative Auditor, Audit Division, Legislative Counsel Bureau:**

As legislative staff, I am neutral on the legislation. However, I do have a few comments. Since I appeared before this Committee on February 21, I've reevaluated the Audit Division's workload and the pending audit legislation. Based on that, I believe nothing should prevent us from doing the audit of the Nevada Department of Wildlife (NDOW) shown on our audit plan that was approved by the Legislative Commission.

NDOW was also on the plan for the 2003-2004 biennium, but our workload did not allow the audit to be performed. However, I do not expect that to happen again. The discussions on A.B. 3 indicate a significant level of legislative interest, and I intend to perform the audit as it is currently scheduled.

**Assemblyman Marvel:**

Being chairman of the audit subcommittee, I think we can honor what Mr. Townsend is saying. I doubt very much if we need this bill, since it is on the schedule anyway. If you don't mind, Mr. Chairman, I suggest we not even consider the bill any further.

**Chairman Claborn:**

I thank you for your comment. I think we need this bill for the simple fact that if we do not get this audit in 2005, it will go until 2007, and we won't get the results until 2009 or even later. I'd like to clear this thing up, give NDOW a clean slate, and go from there. The money is already appropriated. It won't cost any more to do it today than it would two or three years from now. I think we ought to do that.

Mr. Townsend, can you tell us what it would cost to have this done?

**Paul Townsend:**

We do not charge agencies for our audit, but we do participate in the statewide cost allocation plan. Looking at other audits, I would estimate the cost to be in the neighborhood of \$125,000.

**Chairman Claborn:**

Would that be in increments? Could you tell us how that is paid off?

**Paul Townsend:**

The statewide cost allocation plan takes into account the cost of various central services, such as the Controller, the Treasurer, the Budget Office, and all of that goes into what is called the statewide cost allocation plan. Our audits are one of those costs. To avoid having agencies take a large one-time hit, the cost of our audit is allocated over a period of seven years.

**Chairman Claborn:**

That would be one-year increments for seven years, and they would begin in 2009, is that correct?

**Paul Townsend:**

Yes, Mr. Chairman. There is generally a two-year lag from the time an audit is completed to when it finds its way into the plan, so it would begin in approximately 2009.

**Assemblyman Carpenter:**

With the plan you have now regarding the audits you're going to do, A.B. 3 asks that you conduct this audit and present it to the Legislative Commission

not later than February 5, 2007. Would that be any problem with your plans as they now are?

**Paul Townsend:**

I would not see any problem. I believe we would be able to complete the audit on our planned schedule, and we would definitely do it by that date as required by the bill. It would be ready for the next legislative session.

**Assemblyman Grady:**

If we pass this bill, the Department would be subject to the charges of roughly \$125,000 spread over seven years. If we do not pass this bill, they will still be subject to those same charges.

**Paul Townsend:**

That is correct; there is no difference.

**Assemblyman Hogan:**

It appears that at least a majority of the Committee is interested in having this audit done. It seems we have a choice between a high likelihood or a virtual certainty of having it done in the near term. I would rather it be certain than probable.

**Assemblyman Carpenter:**

I'm in favor of doing this audit. Last session we passed a bill that had substantial increases in the cost of tags, licenses, and everything. I think we need to follow up and know how the increase in money was spent. The bill assures us we'll have that audit. I believe not only the Legislature but the sportsmen out there want to make sure where their money is going.

**Assemblywoman Ohrenschall:**

I agree with Mr. Carpenter. I'd really like to have this set in stone so we have a particular date and know when the return is going to be. Since there is going to be no difference in terms of cost, we ought to go ahead with it.

**Assemblyman Atkinson:**

It seems that everyone is for the bill, so I'm going to leave it alone. However, I do remain cautious and a little reserved when we do things like this because, as Mr. Denis and I tried to bring out last time, what happens to the order? If we begin to do this on a regular basis, if we continue to move people up, who is going to start falling down the line? With all due respect, I do have to express my concerns about the bill and about the order of other upcoming audits.

**Chairman Claborn:**

Thank you, Mr. Atkinson. When I was first elected to come here in 1999, we heard all kinds of bills, and we proceeded to give NDOW just about anything we could to produce more deer. We did everything in our power to help them along, and we kept telling them if they showed results, we would give them more money. We were trying to build the deer herd up, and we were always asking NDOW to show us results, but we never have gotten any.

With the bills I've introduced, sooner or later we are going to get some results. We have to bring the deer back. From what I've seen in my talks with NDOW, they've almost written the mule deer off, and that really upsets me.

ASSEMBLYWOMAN OHRENSCHALL MOVED TO DO PASS  
ASSEMBLY BILL 3.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED WITH ASSEMBLYMEN ATKINSON AND  
MARVEL VOTING NO.

**Assemblyman Marvel:**

I depend on the integrity of the Audit Division, so I don't think we need it.

**Chairman Claborn:**

Okay, we're all done. We'll meet on Monday at the same time to hear A.B. 289 and A.B. 333, and we'll have a work session as well. We are adjourned [at 2:02 p.m.].

RESPECTFULLY SUBMITTED:

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Mary Garcia  
Committee Attaché

APPROVED BY:

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Assemblyman Jerry D. Claborn, Chairman

DATE: \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Committee on Natural Resources, Agriculture, and Mining

**Date:** March 23, 2005

**Time of Meeting:** 1:35 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B	Amber Joiner / LCB	Work Session Document