

**MINUTES OF THE  
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-third Session  
March 28, 2005**

The Senate Committee on Government Affairs was called to order by Chair Warren B. Hardy II at 2:03 p.m. on Monday, March 28, 2005, in Room 2149 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Warren B. Hardy II, Chair  
Senator Sandra J. Tiffany, Vice Chair  
Senator William J. Raggio  
Senator Randolph J. Townsend  
Senator Dina Titus  
Senator Terry Care  
Senator John Lee

**GUEST LEGISLATORS PRESENT:**

Senator Barbara K. Cegavske, Clark County Senatorial District No. 8

**STAFF MEMBERS PRESENT:**

Kim Marsh Guinasso, Committee Counsel  
Michael Stewart, Committee Policy Analyst  
Olivia Lodato, Committee Secretary

**OTHERS PRESENT:**

Robin Keith, Nevada Rural Hospital Partners Foundation  
Andrew List, Nevada Association of Counties  
Daniel K. O'Brien, Manager, State Public Works Board, Department of Administration  
Ivan R. Ashleman, Vice Chair, State Public Works Board, Department of Administration

Chair Hardy opened the Committee as a subcommittee. He stated he had a number of bill draft requests (BDR) that needed to be introduced. He said he would read all the BDRs and then ask for a vote on all the BDRs in one motion. He opened with BDR 20-1343, requested by the rural areas; BDR 21-1293 revises provisions for installment of local improvements; BDR 23-918, requested by R. Ben Graham for the Nevada District Attorneys Association; BDR 27-156, requested by the University and Community College System of Nevada; BDR 28-1032, requested by the Legislative Commission's Audit Subcommittee; BDR 31-1346 revises definition of "state agency" for purposes of installment-purchase and lease-purchase; BDR S-1161 revises provisions governing Virgin Valley Water District; BDR 20-588, from the Nevada Association of Counties; BDR 19-100, requested by the Attorney General; BDR 20-331, requested by Clark County; BDR 19-102, requested by the Attorney General; BDR 19-99, requested by the Attorney General; BDR 18-1062 creates the Nevada Economic Resource Investment Fund; BDR 18-987 prohibits admission of certain parties to certain proceedings; BDR 23-1366 allows governmental entity to incur expense; BDR 30-452, requested by Washoe County; BDR 28-451, requested by Washoe County; BDR 25-450, requested by Washoe County; BDR 21-343, requested by City of Henderson; BDR 20-586, requested by Nevada Association of Counties; BDR 20-533, requested by City of Reno; BDR 20-417, requested by County Fiscal Officers Association; BDR 19-242, requested by State Board of Parole Commissioners; and BDR 19-172, requested by Division of Health Care Financing and Policy, Department of Human Resources.

**BILL DRAFT REQUEST 20-1343**: Requires counties and cities to adopt ordinances prohibiting overnight parking in certain parking facilities. (Later introduced as [Senate Bill 412](#).)

**BILL DRAFT REQUEST 21-1293**: Revises provision governing payment by installment of assessment for local improvement. (Later introduced as [Senate Bill 411](#).)

**BILL DRAFT REQUEST 23-918**: Revises provisions governing removal of public officer from office other than by impeachment or accusation. (Later introduced as [Senate Bill 430](#).)

**BILL DRAFT REQUEST 27-156**: Exempts University and Community College System of Nevada from requirement to purchase prescription drugs,

pharmaceutical services, or medical supplies and related services through Purchasing Division of Department of Administration. (Later introduced as [Senate Bill 410.](#))

**BILL DRAFT REQUEST 28-1032**: Clarifies certain provisions relating to public works. (Later introduced as [Senate Bill 426.](#))

**BILL DRAFT REQUEST 31-1346**: Revises definition of “state agency” for purposes of installment-purchase and lease-purchase agreements. (Later introduced as [Senate Bill 409.](#))

**BILL DRAFT REQUEST S-1161**: Revises provisions governing Virgin Valley Water District. (Later introduced as [Senate Bill 408.](#))

**BILL DRAFT REQUEST 20-588**: Authorizes boards of county commissioners to provide civil penalties in lieu of criminal penalties for violations of ordinances in certain circumstances. (Later introduced as [Senate Bill 407.](#))

**BILL DRAFT REQUEST 19-100**: Authorizes public bodies to hold closed meetings for certain purposes relating to examinations. (Later introduced as [Senate Bill 415.](#))

**BILL DRAFT REQUEST 20-331**: Authorizes certain counties to regulate use of electric personal assistive mobility devices. (Later introduced as [Senate Bill 417.](#))

**BILL DRAFT REQUEST 19-102**: Revises provisions governing violations of Open Meeting Law. (Later introduced as [Senate Bill 416.](#))

**BILL DRAFT REQUEST 19-99**: Requires public bodies subject to Open Meeting Law to make audio recordings of their meetings. (Later introduced as [Senate Bill 421.](#))

**BILL DRAFT REQUEST 18-1062**: Creates Nevada Economic Resource Investment Fund. (Later introduced as [Senate Bill 414.](#))

**BILL DRAFT REQUEST 18-987**: Prohibits admission of certain persons as parties to certain administrative proceedings. (Later introduced as [Senate Bill 428](#).)

**BILL DRAFT REQUEST 23-1366**: Revises provision prohibiting governmental entity from incurring expense or making expenditure related to supporting or opposing ballot question. (Later introduced as [Senate Bill 429](#).)

**BILL DRAFT REQUEST 30-452**: Revises provisions relating to debt management commissions. (Later introduced as [Senate Bill 413](#).)

**BILL DRAFT REQUEST 28-451**: Authorizes certain additional public bodies to negotiate with lowest responsive and responsible bidder to obtain revised bid on contract for public work in certain circumstances. (Later introduced as [Senate Bill 418](#).)

**BILL DRAFT REQUEST 25-450**: Provides for creation of regional district for road maintenance in certain larger county. (Later introduced as [Senate Bill 425](#).)

**BILL DRAFT REQUEST 21-343**: Revises provision governing authority of governing body of city to abate abandoned nuisance. (Later introduced as [Senate Bill 424](#).)

**BILL DRAFT REQUEST 20-586**: Abolishes Dillon's Rule concerning statutory interpretation of powers of counties. (Later introduced as [Senate Bill 427](#).)

**BILL DRAFT REQUEST 20-533**: Authorizes governing body of local government to regulate managers of certain motels, hotels or apartment complexes. (Later introduced as [Senate Bill 422](#).)

**BILL DRAFT REQUEST 20-417**: Increases compensation of certain public officers. (Later introduced as [Senate Bill 419](#).)

**BILL DRAFT REQUEST 19-242**: Revises provisions relating to certain meetings and hearings concerning prisoners and persons on parole and probation. (Later introduced as [Senate Bill 423](#).)

**BILL DRAFT REQUEST 19-172:** Authorizes Drug Use Review Board to hold closed meetings for certain purposes. (Later introduced as [Senate Bill 420.](#))

SENATOR TOWNSEND MOVED TO INTRODUCE BDR 20-1343, BDR 21-1293, BDR 23-918, BDR 27-156, BDR 28-1032, BDR 31-1346, BDR S-1161, BDR 20-588, BDR 19-100, BDR 20-331, BDR 19-102, BDR 19-99, BDR 18-1062, BDR 18-987, BDR 23-1366, BDR 30-452, BDR 28-451, BDR 25-450, BDR 21-343, BDR 20-586, BDR 20-533, BDR 20-417, BDR 19-242 and BDR 19-172.

SENATOR TIFFANY SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

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Chair Hardy opened the discussion on Senate Bill (S.B.) 235.

**SENATE BILL 235:** Revises provisions relating to procedure for dissolution of hospital districts in certain smaller counties. (BDR 40-960)

Robin Keith, Nevada Rural Hospital Partners Foundation, said she was present to speak in favor of S.B. 235. She said Senator McGinness had introduced the bill on behalf of Nevada Rural Hospital Partners Foundation. She said the bill added to the process of dissolving rural hospital districts in counties with fewer than 400,000 people. She said there were no county hospital districts in Clark County, although there were a few small and rural hospitals. Ms. Keith said the current law contained two sentences that described how a hospital district was to be dissolved. The language for dissolution of a hospital district was in S.B. 235, section 4, starting on line 22. The language states that following a hearing, a county commission may dissolve a hospital district by dissolution. She said the current law was put in place to deal with a problem that occurred in 1999 with a hospital in Nye County. She said the County was concerned about the financial situation of the hospital and how it would recover its investment if the hospital declared bankruptcy. She said a bill was passed to provide for what would become of the County's money in the event a small hospital failed. She said the current bill did not change any of the language in the earlier statute. She said the current bill was a cleanup bill.

Chair Hardy asked Ms. Keith if the language was based on preexisting language. She replied it was based on language in chapter 318 of *Nevada Revised Statutes* (NRS) which dealt with the dissolution of general improvement districts. She said the language had been copied into chapter 450 of NRS, which dealt with county hospitals and hospital districts. She said four criteria had been added by county commissioners. Ms. Keith said she would go through the bill for the Committee. She said the important text of the bill was in sections 1 through 6, pages 1 through 3; the remainder of the bill dealt with integrating the substance of the bill into other related sections of NRS 450. She said language in the bill dealt with districts contained within a county and also districts that crossed county lines. Ms. Keith opened her recap of the bill with section 2, line 4, and continued through section 6, line 35 through line 42. She concluded by saying current law did not provide a comprehensive process for the dissolution of hospital districts. She said the proposed bill was modeled after existing statute for dissolving general improvement districts.

Senator Raggio asked Ms. Keith what the language meant in section 3 of S.B. 235 that talked about a majority of property owners in a district. He asked if a majority was based on the number of people or the amount of acreage of a property.

Kim Marsh Guinasso, Committee Counsel, said the bill went to the number of owners of property, not the amount of acreage of property.

Chair Hardy said counties were authorized by chapter 450 of NRS to create hospital districts. He asked why such specific language was necessary to dissolve the districts. Chair Hardy asked if the language creating a hospital district was as specific as the dissolution language. He asked if a county commission could adopt the language for dissolution as a practice or method for dissolution.

Ms. Keith replied there was a specific process that dealt with creating the hospital district. She said statute covered the creation of a hospital district, and it should also cover how a district was dissolved.

Andrew List, Nevada Association of Counties, said the Association was neutral on the bill. He said the procedures being proposed were workable for his clients.

Chair Hardy inquired of Mr. List why the bill was necessary. Ms. Keith responded and said as resources became more scarce in rural Nevada, chiefly

due to economic downturns and losses in assessed value, allocation of those resources had become more difficult. She stated some hospital districts had ad valorem tax rates. She said S.B. 235 did not affect those rates or how they were distributed. She said the genesis for the bill occurred when a county commissioner made a remark that reverberated throughout the rural hospital system in Nevada. She said the county commissioners said they were having trouble with their resources and they needed to reallocate the resources within the county. Ms. Keith said counties should have control of what districts existed within their jurisdictions.

Chair Hardy, noted for the record, the Committee was currently in subcommittee. Chair Hardy closed the hearing on S.B. 235 and opened the hearing on S.B. 160.

SENATE BILL 160: Requires State Public Works Board and certain state agencies to provide notice and hearing before letting contract for new construction or major repairs on state property. (BDR 28-79)

Senator Barbara K. Cegavske, Clark County Senatorial District No. 8, opened the discussion on Senate Bill 160. She said existing law required the State Public Works Board (SPWB) to solicit bids and let all contracts for new construction or major repairs on buildings and structures. Nevada law also required the State Public Works Board to delegate to a State agency certain authorities granted to the Board, including the authority for letting a contract for new construction or major repairs. She said S.B. 160 required the State Public Works Board to hold a hearing before letting a contract for new construction or major repairs on a State building or structure.

Senator Cegavske said the genesis of the bill was from residents in the Oakey and Jones area in Las Vegas. She said the residents thought the property on the corner of Oakey and Jones Boulevards was to be used for an educational building. She said at the last moment, the residents learned a different kind of building was going to be erected. The residents were not notified of the rezoning of the property. She said her bill would require the State Public Works Board to notify residents if there were changes in the zoning. She said the bill would require the SPWB to notify in the same manner as the cities and counties if there were zoning changes.

Chair Hardy asked Senator Cegavske if the bill would apply only if there was a variance to the zoning. She replied she wanted the bill to apply to any rezoning

of property. Chair Hardy asked if notification would be required before there were any requests for proposals or bids for contractors.

Senator Lee asked Senator Cegavske why each tenant of a mobile-home park would be notified, but not tenants in an apartment complex—only the owner of the complex. He said the bill specified only the mobile-home park residents. She responded each tenant in a mobile home park or each resident within 750 feet of the proposed project would be notified. She said if the language in the bill was confusing, it could be changed.

Senator Lee said he was concerned about the language, “major repairs” to a building. He said buildings could be upgraded due to age and asked Senator Cegavske if major repairs meant extraordinary structural repairs on the outside of the building.

Senator Cegavske responded repairs did not imply small changes, but something that changed the façade or made an addition to the building.

Chair Hardy suggested the intent of the bill could be anything that changed the footprint or aesthetics of the building.

Senator Care asked Senator Cegavske if the hearing required in S.B. 160 was informational only. He said he assumed the decision to undergo major repairs or to construct the building was made prior to the hearing. Senator Cegavske said the intent of the bill was to inform people before the decision had been reached in order for them to have some input in the decision. She stated the city and county had to notify residents before an action was taken. She said she wanted the State Public Works Board to have the same requirements.

Chair Hardy said the bill needed some clarification language.

Daniel K. O’Brien, Manager, State Public Works Board, Department of Administration, said he was testifying in opposition to S.B. 160. He said the intent of the bill was good in that it allowed the public to have input into the design of a project. Mr. O’Brien said existing statutes in NRS required the State to comply with all zoning regulations adopted by local governing bodies and he read from his written testimony ([Exhibit C](#)). He said 99 percent of State Public Works Board new construction projects went through the zoning process. He said the current process worked. He said NRS 278.580, section 3, contained a



provision for an exemption to the zoning regulation requirements. Mr. O'Brien said an existing facility, built prior to April 23, 1971, was exempted whenever SPWB needed to expand facilities it currently owned. He said S.B. 160 would cost the taxpayers money. A fiscal note had been provided to the Committee ([Exhibit D](#)).

Mr. O'Brien mentioned other concerns he had, such as a lack of definition for major repairs. He asked if it would include such things as roofs, parking lots or fire-sprinkler systems. He concluded by saying he was not against the public's right to know about a project. Mr. O'Brien said the process was already in place and worked well.

Senator Townsend asked Mr. O'Brien about zoning at the psychiatric hospital in Las Vegas that continued to be zoned for residential use. He wanted to know why the zoning had not changed.

Mr. O'Brien said the zoning had been in existence for many years. He said the State Public Works Board attempted to bring the zoning into compliance with the city requirements. He said they proposed changing the zoning for the entire site. Mr. O'Brien stated the Las Vegas Council chose not to make a decision on the zoning changes.

Chair Hardy asked Mr. O'Brien how the zoning had remained residential from the beginning and if the zoning had to do with the exemption in NRS that Mr. O'Brien referred to earlier.

Mr. O'Brien said the exemption stated State Public Works Board did not have to go through the planning process and did not have to comply with local zoning.

Senator Townsend asked why the City of Las Vegas did not accommodate the change in zoning.

Ivan R. Ashleman, Vice Chair, State Public Works Board, Department of Administration, said they sought to receive approval in order to allow the neighborhood and City to participate in a hearing. He said they did hold a hearing on the contract. He said the questions from the State Public Works Board were regarding who they should notify, what their hearing should be about and at what stage in the process they should hold a hearing. Mr. Ashleman said S.B. 160, as currently written, did not accomplish what

people wanted it to accomplish. He said after letting the contract was not the proper time for a hearing. He said once contracts were let, the project was going ahead. He said zoning decisions came at an awkward time. Mr. Ashleman said the zoning decisions should be made after the time of capital improvement project (CIP) requests.

Chair Hardy said Senator Cegavske's bill was written to make sure the neighbors were notified when there was going to be a major change in zoning. He said she would also like to make sure that those responsible for any construction done in a neighborhood would notify the residents of the area. Chair Hardy asked Mr. Ashleman what was wrong with the local process and what exemptions could be addressed to answer Senator Cegavske's concerns. He also asked Mr. Ashleman to discuss exemptions the State Public Works Board could use to avoid the local-government-approval process.

Mr. Ashleman stated the majority of the time, there was a local zoning hearing. He said the bill needed to address any situation where there would not be a local zoning hearing and the zoning would involve a change in the use of the property. He said the State Public Works Board could then hold a special hearing. He said the hearing should be held after CIP approvals and before the design contracts had been let. Mr. Ashleman said whenever a project would have ordinarily gone to zoning was the time to hold an alternative hearing, if there was no local zoning.

Chair Hardy asked Mr. Ashleman and Mr. O'Brien to explain the 1 percent of the time when the local government process did not work. Mr. O'Brien said the only example he knew of was when the Governor's Mansion project was exempted from local zoning requirements. He said the exemption for a property established before 1971 was used in that project. He also mentioned the psychiatric hospital in Las Vegas.

Chair Hardy asked for clarification of the circumstances that enabled projects to not go through the local zoning process. Mr. O'Brien responded that due to the provision in NRS stating they did not have to comply because the project was an activity that existed prior to 1971, SPWB would not have to go through the zoning process. He said the State Public Works Board went to the planning commission in Carson City and talked to them about the project. He said they went through the zoning process with the psychiatric hospital in Las Vegas.

Chair Hardy asked Mr. O'Brien what would occur if a decision was made to tear down the Governor's Mansion and greatly increase its size, footprint and use. He asked if the State Public Works Board could still be exempted, even though it was a dramatic change to the structure. Mr. O'Brien replied the exemption would still apply because of the NRS statute. Chair Hardy asked him if it would be easier and cleaner to go through the local governmental process. Mr. O'Brien replied he was concerned with the duplication of a process, not with working with the local governments.

Senator Lee asked how the University System construction programs would be affected by S.B. 160. He asked if people were notified in the same manner as for construction in a residential area. Mr. O'Brien replied if it were a CIP project, the State Public Works Board would comply with local requirements. He said the University of Nevada, Las Vegas, had an agreement with Clark County that allowed it to not go through the County with its projects. He said the projects at the community colleges in Reno and Carson City went through the planning process. He said most of the new campuses had been established after 1971. He said S.B. 160, as written, would not apply to any of the university or community college projects if they were using their own funds, such as donor funds.

Senator Lee asked Mr. O'Brien and Mr. Ashleman if they agreed there had been enough notification for the project at Oakey and Jones Boulevards, which precipitated Senator Cegavske's bill. Mr. Ashleman replied the residents had received two hearings, the regular zoning hearing and a hearing before the State Public Works Board. He said the residents received the regular type of notice issued in the City of Las Vegas for a special-use permit. He said it just happened the ruling did not go the way some of the residents wanted it to go. He said it was up to the Legislature to decide if the State Public Works Board should have to receive permits for long-term State property projects. He referenced State prisons, the Governor's Mansion and the Sparks Mental Hospital facilities as projects which might or might not get approval if required to go through the local governing process.

Senator Lee asked Senator Cegavske if the State Public Works Board and the City had notified the residents in the Oakey-and-Jones area in the proper manner. She replied some residents in the area had received notification due to the footage requirements, but other people affected in the surrounding area were not notified. She said people in the neighborhood learned of the project

and went door-to-door to notify other residents. They also contacted Senator Cegavske and their Assemblywomen of that area to inform them of what was occurring. Senator Lee asked her if the issue was more a city hall issue than a State issue. Senator Cegavske said it was a State Public Works Board issue.

Senator Townsend said residents of Oakey and Jones Boulevards did not know of the 1971 exemption. He said people would benefit if the real estate sold within a certain number of feet from an exempted area had the exemption noticed in the closing documents or proposal for purchase. It would allow the residents to know they were living near a State property that was exempted from zoning issues. He said the State Public Works Board was following the law.

Chair Hardy said he would like to have a public policy discussion concerning the exemption rule. He told Mr. O'Brien he would like him to express his thoughts concerning the need for the exemption at a public discussion. He said the Committee neither needed to create more work for the State Public Works Board nor to duplicate efforts already in place. He said Senator Cegavske wanted residents notified in some manner.

Senator Cegavske said another possibility for solving the problem would be to remove the 1971 exemption from statute.

Mr. O'Brien said he would address the State's perspective on the matter. He said the provision also applied to local governments and not just to the State of Nevada projects.

Chair Hardy said there were reasons for some of the exemptions. He reiterated he would like to have a public-policy discussion concerning exemptions. He said he wanted to be sure people were notified.

Senator Cegavske stated she lived in Clark County. She said notification in the County was much broader than for residents in the City of Las Vegas. She said the State Public Works Board should have had broader notification for the residents in the Oakey and Jones area.

Chair Hardy said the Board should go through the local approval process unless there were circumstances where it did not make sense.

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Senator Lee asked if the Committee was in agreement concerning the definition of major repairs. He said he interpreted major repairs as new additions. Chair Hardy responded the issue now appeared to be who was to be notified and what the exemptions entailed.

Chair Hardy asked if there was any further business for the Committee. As there was none, he adjourned the meeting at 3:09 p.m.

RESPECTFULLY SUBMITTED:

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Olivia Lodato,  
Committee Secretary

APPROVED BY:

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Senator Warren B. Hardy II, Chair

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