

Item # 11

**City of Carson City
Agenda Report**

Date Submitted: June 9, 2009

Agenda Date Requested: June 18, 2009

Time Requested: 15 mins

To: Mayor and Supervisors

From: Larry Werner, City Manager

Subject Title: Discussion and update on 2009 Legislative matters.

Staff Summary: Mary Walker of Walker and Associates will present an update on legislative issues and points of interest to the Board.

Type of Action Requested: (check one)
☐ Resolution ☐ Ordinance
☐ Formal Action/Motion ☒ Other (Specify) Discussion only

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: N/A

Explanation for Recommended Board Action: See Staff Summary.

Applicable Statute, Code, Policy, Rule or Regulation: N/A

Fiscal Impact: None

Explanation of Impact: N/A

Funding Source: N/A

Alternatives: N/A

Supporting Material: N/A

Prepared By: Janet Busse, Office Supervisor

Reviewed By: 
(City Manager)

Date: 6/8/09


(District Attorney)

Date: 6-9-09

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)



Walker & Associates

661 Genoa Lane, Minden, Nevada 89423

MEMO TO: Carson City Board of Supervisors
Larry Werner, Carson City Manager

FROM: Mary Walker

DATE: June 10, 2009

RE: Legislative Update

Please find below the Final Legislative Update for the 2009 Legislative Session. In addition, the City Manager and each department head will receive a report listing the status of the bills we have been following for them, i.e., public works, sheriff, fire, personnel, finance, etc. These reports should be compiled by the third week in June.

I would like to take this time to thank the staff at Carson City who assisted so greatly this legislative session. We monitored 428 bills for Carson City and our regional county legislative coalition. As has been the system the past 11 years while we have been lobbying on behalf of Carson City, each of these bills were sent via email notification and request for response to the City Manager and applicable department. The department and City Manager would then review each bill and respond back regarding the bill's impact within a short time period. Due to this process and the dedication of your staff, we were able to move very quickly on each bill and act accordingly. In addition, when we needed legislative testimony or support, your staff was always there. They always responded quickly and came to the Legislature when they were needed. I know this was a lot of work for them, but we sincerely appreciated their support.

I would also like to thank the Board members who worked with us this session, particularly Mayor Bob Crowell and Supervisor Robin Williamson, who were always readily available to attend meetings with Legislators and applicable hearings. Having elected official and staff support is critical to our success at the Legislature and we sincerely appreciated their efforts.

I. OVERVIEW

Overall, Carson City fared very well during the 2009 Legislative Session, especially considering it was the most challenging session in my 23 years of lobbying on behalf of Carson City either as an appointed official or contractor. Most of the problem bills were either killed or amended to minimize the negative impacts to us. SB 66 Douglas County Water Bill and SB 278 Rural Health District Study Bill were both passed by the Legislature and approved by the Governor. The Legislature has redirected 6 cent ad valorem taxes from Clark County and Washoe County to the State for two years but has not affected any of our counties. If they had, it would have cost Carson City \$1.1 million per year, Douglas County \$2 million per year, Lyon County \$1 million per year and Storey County \$370,000 per year. This taking would have been devastating to our local governments. It should be noted, however, that both Clark County and Washoe County were able to make up the loss of these revenues through the implementation of new local taxes or diversion of other tax revenues.

Overall, we will experience minimal financial impacts due to the 2009 Legislative session. The smaller taking we will experience will be the 1% increase in sales tax collection fees and the taking of the IAF/SUP funds for hospitals (which can be somewhat mitigated by the increase in the 50-50 long-term care match federal stimulus funds). AB 428, Speaker Buckley's bill to take from 3% to 15% of our Redevelopment ad valorem revenues, is dead due to the failure of the Senate to override the veto. AB 63 allowing counties the ability to increase court fees passed the legislature and was approved by the Governor. This bill will provide additional resources to provide court services. AB 480 State Water Engineer Fee increase was passed and will cost some additional monies from our water funds, however, it pays for increased services at the State Water Engineer's office. AB 540 EMRB Fees of up to \$10 per employee also passed. Please see attached Budget Impact Analysis.

The very difficult process of passing the State budget and taxes is over. The Governor has vetoed the budget measures and the Legislature overrode those vetoes. As of this date, the Governor has vetoed 48 bills of which 25 were overridden by the Legislature.

Interim Legislative Studies and Committees:

Now that the session is over, there are several Interim Legislative Studies and Committees which will be meeting over the next 18 months prior to the 2011 session. These Studies and Committees will present their findings prior to the 2011 session. It is my experience that the likelihood of the passage of Interim Study and Committee recommendations are very high. Therefore, it is very important to continue to be a part of the dialogue as we move into next session. The Interim Legislative Studies and Committees are:

1) SCR 37 - Study of State-Local Tax Structure and Stabilization. SCR 37 combines Raggio's SB 399 and Horsford's SB 432. State would hire independent consultant to review Nevada's public revenue structure and make recommendations regarding: allocation of revenue from taxation and other sources between the State and local governments; adequacy of the revenue sources of the State and local governments and each level of government in supplying sufficient revenue; relative stability of the revenue sources of the State and local governments; the extent to which the revenue sources of State and local governmental agencies increase in proportion to population and demand for services; recommendations to improve the equity of the allocation of revenue and the stability of the sources of revenue for State and local governmental entities...etc.

2) SB 264 - Senator Care's Study of Local Home Rule and Appoints Committee for Intergovernmental Relations. Bill directs Legislative Commission to conduct an interim study concerning the powers delegated to local governments, including the feasibility of increasing the powers of local governments related to taxation. It also requires the Legislative Commission to appoint an Interim Technical Advisory Committee for Intergovernmental Relations composed of 6 local government and 3 State representatives, however, it does not include any legislators.

3) SB 278 - Rural and Clark County Health District Study Bill. Bill requires Legislative Committee on Health Care to study feasibility of the establishment of rural health districts including the governance, authorities, services provided and funding of the district. The Clark

County Health District will be studied also regarding its governance, authorities and services provided.

4) AB 9 - Study of Long-Term Care and Senior Services.

5) SB 307 - Study of Medicaid. To study the financing and financial viability of Nevada Medicaid.

6) Standing Interim Legislative Committee on Health Care.

7) Standing Interim Legislative Committee on Public Lands.

8) Standing Legislative Committee to Oversee the Western Regional Water Commission.

9) Standing Legislative Committee to Provide Review and Oversight of TRPA and Marlette lake Water System

Important Bill Summary (additional information in following pages):

- 1) SB 154 regarding transfers being subject to mandatory bargaining IS DEAD.
- 2) AB 80 sewer lateral bill WAS PASSED. Bill will NOT require local governments to mark all sewer laterals, but will require them to do one of the following when excavations are occurring: provide any information on location of sewer lateral (could be a piece of paper), mark the sewer lateral, or place a sign at the sewer MAIN in front of the property if the location of the sewer lateral is not known. This is not an onerous requirement and will eliminate the liability the PUC was trying to place on us to mark all sewer laterals. We won't be able to charge for this service as the Legislative Committee determined our sewer customers should pay for this service. In addition, providing information is what we are doing now, so many think this bill will not be requiring us to do anything more than what we had already been doing.
- 3) AB 458 Redevelopment Bill is DEAD. This bill will required Redevelopment Authorities to pay 3% of their total property tax revenue to the State for a K-12 School stabilization account. After the first year, it goes up each year by 1% until it reaches 15% in 2021.
- 4) SB 66 Douglas County Water Bill WAS PASSED.
- 5) SB 278 Health District Bill WAS PASSED.
- 6) Workers' Comp Bills. Many of the workers' comp bills are either dead or have been modified to eliminate much of the fiscal impacts.
- 7) SB 396 Peace Officer Investigations Union Bill is DEAD.
- 8) New Interim Studies-The fiscal study bills were combined into SCR 37 State-Local Tax and State Stabilization Study; SB 264 Care's Local Home Rule Study bill, SB 278 Rural Health District Study Bill, SB 307 Study of Medicaid, AB 9 and AB 176 Study of Long-Term Care and Seniors were all PASSED. These studies are in addition to the Legislative Standing Interim Committees such as the Committee on Health Care, Committee on Public Lands, Committee to Oversee Western Regional Water Commission and the Committee to Review and provide Oversight of TRPA and Marlette Lake Water System.
- 9) AB 74 Final Maps-WAS PASSED.

- 10) AB 147 5% preference to local bidders IS DEAD.
- 11) AB 375 Cooperative Extension Tax Bill IS DEAD.
- 12) All the bad water bills are dead: AB 376 Water Conservation Bill, graywater bills.
- 13) AB 442 Lobbying Bill IS DEAD.
- 14) AB 463 Consultant Bill only pertains to the State now.
- 15) SB 427 Public Employees Benefits Reform bill was PASSED.

Overall, we have faired very well this session even though it was one of the toughest sessions in my 23 year legislative history.

II. IMPORTANT: IAF/SUP Funds. As I had alerted you previously, the State did take the IAF/SUP funds. They were trying to restore half of them, but once the Economic Forum decided their revenue projections and decreased them by approximately \$500 million, restoration of the IAF/SUP was not possible.

However, Mike Willden has given us information regarding how much more funding the counties are going to receive due to the Federal Stimulus Package. The long-term care 50-50 match program will actually be receiving 56% from the feds. Therefore, less funding is required by the counties. Per DHHS, our counties will be receiving the following additional funding for the long-term care indigent program which could be used to fund either long-term care or to compensate for the loss of the IAF/SUP monies:

Entity	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Total
Carson City	291,600	378,341	189,035	858,976
Douglas County	159,144	206,484	103,168	468,796
Lyon County	206,069	267,408	133,608	607,086
Storey County	5,040	6,539	3,267	14,845

III. IMPORTANT ISSUES/BILLS

SB 32 - NACO Manager Evaluation in Public Meeting Bill. BILL DEAD.

SB 59 - Washoe 911 Bill. BILL IS LAW. PASSED WITH AMENDMENT TO INCLUDE COUNTIES OVER 40,000 POPULATION TO ALLOW \$1 MILLION RESERVE AND EXPANDED USAGE.

SB 66 - Douglas County Water Bill. *Allows for longer periods to complete work and apply water to a beneficial use for certain municipal and quasi-municipal uses.* – BILL IS LAW. Includes the amendment provided by the State Engineer on requesting the courts to consider economic impact when allowing entities to stay rulings by the State Engineer.

SB 71 - Veterans Bill. BILL IS DEAD. This bill originally expanded the current vet tax exemptions utilized for certain veterans to include all veterans except dishonorable discharged vets. This means 95% of the veterans or an additional 270,000 veterans will receive the benefit. This was estimated to cost the State/Local Governments more than \$100 million per year.

SB 95 - Reno's Unincorporated Tax Bill. BILL DEAD. This bill would have allowed a Washoe County-wide vote of the people to enact property taxes in the unincorporated area for City services.

SB 105 - Revises the provisions governing the matching funds required for grants made by the Board for Financing Water – BILL IS LAW. This bill fixes language in the State Grant program for water purveyors by changing the percentage contribution to be based on the cost of the project not on the amount of the grant. This will allow larger purveyors who could possibly contribute a higher percentage of matching funds to a project, better access to the grant funding. Grant program currently funds \$8 to \$12 million per year.

SB 126 - Requires local governments to allow the reuse of graywater in single-family residences. –DEAD. The bill is dead per the sponsor due to the requesting party withdrawing the bill.

SB 154 - Employee transfers subject to mandatory bargaining. BILL DEAD.

SB 170 - Ditch operations and maintenance clean-up bill. BILL IS LAW. Adds "entities" to replace "person" as responsible for ditch maintenance if using water. Entities has wide legal definition which includes governments, LLCs, etc. Makes enforcement of maintenance responsibility more achievable.

SB 189 - Action against employers. BILL DEAD. This bill circumvents the State Labor Commissioner and allows complaints to go directly to court. Heard in Committee with mixed support/opposition. The Labor Commissioner will work with the unions to put something in regulation dealing with their particular problem.

SB 203 - Quarterly Publication Bill. BILL DEAD. Eliminates publication of revenues/expenses, list of payments for cities. Amendment to exempt counties, too.

SB 204 - Water Right Notification Bill. BILL DEAD. Bill originally required extensive notification regarding water right transfers.

SB 225 - Change in Judicial Districts. BILL DEAD. Heard in Senate Judiciary. Concerns were raised regarding changing the judicial districts would harm the number of juveniles going to Mineral County's juvenile detention facility from Nye County.

SB 264 - Senator Care's Study of Local Home Rule and Appoints Committee for Intergovernmental Relations. BILL IS LAW. Bill directs Legislative Commission to conduct

an interim study concerning the powers delegated to local governments, including the feasibility of increasing the powers of local governments related to taxation. It also requires the Legislative Commission to appoint an Interim Technical Advisory Committee for Intergovernmental Relations composed of 6 local government and 3 State representatives, however, it does not include any legislators.

SB 278 - Rural/Clark Health District Study Bill. BILL IS LAW. This bill was heard in the Senate Health Committee with SB 322, the Clark County Health District bill following our testimony. Each bill related to governance of Health Districts and a community based, integrated health/mental health service delivery system. Committee's amendment combined the two bills to require the Legislative Committee on Health Care to study the two bills over the biennium.

SB 282 - Senior/Disabled Tax Credit. BILL DEAD. The bill was very costly because it greatly expanded the Senior Tax Credit and added Disabled to the persons qualifying for the tax credit. It also transferred the program and the costs to the counties. The bill's sponsor had pulled the bill due to the concerns it raised.

SB 283 - Revises Provisions Governing Domestic Relations Contracts. BILL IS LAW. Bill establishes a domestic partnership as a new type of civil contract in Nevada. Bill allows employers to provide group medical benefits to their partners, not mandated.

SB 291 - Changes V&T Board. BILL DEAD.

SB 294 - Consolidated Tax Study Bill. BILL IS DEAD.

SB 311 - Washoe County Fluoride Bill. BILL IS DEAD. The Dental Association bill to require TMWA to provide fluoride in their water. No impact to our local governments. Very contentious bill since the voters voted against fluoride in Washoe County 5 years ago.

SB 331 - Energy abatement on Facilities that use Solar or Wind Energy to Generate Electricity for Resale or Process Heat. BILL IS DEAD.

SB 336 - Smaller Jurisdiction Exemption from Audits. BILL IS DEAD.

SB 373 - Water Importation Bill. BILL IS DEAD. This is a study of water importation in Nevada.

SB 396 - Peace Officer Investigations. BILL DEAD. PASSED LEGISLATURE. GOVERNOR VETOED BILL. UNION BILL. This bill had unanimous opposition from Sheriff and Chiefs Association. Bill is said to have been revised to eliminate the more onerous provisions.

SB 399 - State-Local Tax Study. BILL DEAD. SEE SCR 37. This bill has been discussed as a priority by Senator Raggio for over a year. The bill allocates \$300,000 to hire an

independent consultant for a "comprehensive study of existing taxes and their allocation among the levels of government and governmental agencies in Nevada. The study is required to include the allocation of revenue from taxation and other sources between state and local governments and among local governments, the equity of that allocation, the adequacy and stability of the revenue sources and the extent to which the revenue sources increase in proportion to increased population and the corresponding increased demand for services." This is a very important bill. It will open up not only property/sales tax allocations between the State and local governments but also between local governments. The study will be performed over the next 2 years and will be submitted to the 2011 Legislature for action.

SB 427 - Reform of Employee Benefits. This bill reduced state and local government employee benefits for new employees as of Jan 1, 2010 for retirement. Reduced PEBPs benefits. No local government employee can elect to go to PEBP program unless local government is in the program. Also included employee bargaining changes to benefit local governments. Bill part of Republican platform.

SB 432 - Horsford's Nevada Stabilization Commission. BILL DEAD. SEE SCR 37. Bill creates the Nevada Stabilization and Advancement Commission to oversee and direct the process to develop state revenue strategies for the State of Nevada, with the assistance of a consultant, during the interim. The Commission is required to ensure that the State is prepared to realign the collection and distribution of state and local revenues, to implement the imposition of a net profits tax, a business transaction tax or any alternative tax, and to redistribute, realign or change the allocation of public revenues.

SJR 2 - Urges Congress to take Certain Actions regarding Wilderness Areas. BILL IS LAW.

SCR 37 - Study of State-Local Tax Structure and Stabilization. SCR 37 combines Raggio's SB 399 and Horsford's SB 432. State would hire independent consultant to review Nevada's public revenue structure and make recommendations regarding: allocation of revenue from taxation and other sources between the State and local governments; adequacy of the revenue sources of the State and local governments and each level of government in supplying sufficient revenue; relative stability of the revenue sources of the State and local governments; the extent to which the revenue sources of State and local governmental agencies increase in proportion to population and demand for services; recommendations to improve the equity of the allocation of revenue and the stability of the sources of revenue for State and local governmental entities...

AB 18 - Tahoe Bonds. BILL PASSED. Bonds for \$4.5 million.

AB 30 - NACO Economic Development Bill requiring local governments to approve incentive- BILL DEAD.

AB 32 - NACO Sewer Lateral Bill - BILL DEAD. See AB 80.

AB 44 Local government stabilization - BILL DEAD. This bill allows local governments to set aside additional fund balances to provide for greater local government stabilization. The unions were concerned this bill would keep additional monies away from negotiations.

AB 45 NACO Public Defender - BILL DEAD. This bill transfers the cost of public defense in Nevada to the State at a cost of \$40 to \$50 million per year.

AB 48 - Allows a public body to resolve disputes in a contract for a public work by way of processes other than arbitration - BILL IS LAW.

AB 51 - Authorizes counties to adopt by ordinance fees for conducting certain activities that result in the disruption of vehicular and pedestrian traffic on public roads and rights-of-way. BILL DEAD.

AB 65 - Authorizes Counties to Increase Court Fees for Court Services. BILL IS LAW. SIGNED BY GOVERNOR. Bill will provide additional resources to pay for court services.

AB 67 - NACO 10 Cent Ad Valorem Tax Bill. BILL DEAD.

AB 74 - Revises provisions concerning the presentation of a final map of certain subdivisions of land - BILL IS LAW. Passed out with accepted amendments to not address specific lengths of times for final or tentative maps but address timeframes in development agreement - Northern/southern builders and local governments all on board.

AB 78 - Forestry Camps.- BILL IS LAW. This bill requires the NDF to provide forestry camps.

AB 80 - League of Cities Sewer Lateral Bill. BILL IS LAW. The League of Cities is taking the lead on this bill. After intense negotiations for the past few months, agreement has been reached between local governments, Cable TV, Telecommunications, Southwest Gas, and NV Energy regarding amendments. PUC was the only opposition to the compromise. The bill does not require marking existing sewer laterals, however, when there is excavation, we will be required to do one of the following: provide information/maps we have regarding location of sewer lateral, mark the sewer lateral or place a triangular green sign at the sewer "main" in front of the property to designate the sewer lateral location is unknown. The bill's requirements are said to have very little difference than what we do now. We will not be able to charge for this service but it will be part of the sewer utility fees.

AB 97 - League of Cities Government Service Transfer Bill. BILL IS LAW. The bill requires the Committee of Local Government Finance (of which I am a member) to develop

processes and procedures when services are transferred between local governments or state to local governments.

AB 147 - Requires local governments to grant 5% preference to local bidders bidding on certain contracts for goods or services. BILL IS DEAD.

AB 148 - Requires certain health and safety training for construction workers and supervisors – BILL IS LAW. This bill is in response to numerous construction related deaths in LV associated with large projects – labor/builders lead the amendment/opposition process. Bill requires supervisory employees working on a construction site to complete a specified 30-hour health and safety course w/in 15 days of being hired and all other construction workers working on the construction site to complete a specified 10-hour course not later than 15 days after being hired.

AB 166 - Makes various changes to provisions relating to employment practices. BILL DEAD. This bill adds “physical characteristics” to the non-discrimination category that already includes sex, race, age, sexual orientation etc... References the fed 1964 Civil Rights Act as enforcement mechanism.

AB 178 - Worker Compensation Bill. BILL DEAD. There were hours of testimony on this bill. Wayne Carlson from the POOL/PACT lead the opposition and was very articulate. It is anticipated all workers' compensation bills will be brought together at end of session by leadership and at that point decided which to pass. Required 2/3rd majority to pass.

AB 195 - Prevailing Wage to \$3 million Cap. BILL DEAD. The bill would raise the prevailing wage cap from \$100,000 to \$3 million.

AB 205 - Assessor's Annual Bill. BILL IS LAW. This bill is a clean-up bill for the Assessor's Association.

AB 226 - Irrigation District Bill. BILL IS LAW. Enables irrigation districts to increase indebtedness and fees per acre of land within the district for district operations and maintenance. Bill amended so increase fees of \$1.50 per acre could only go for maintenance and repairs and not operations. Bill specific to Fallon, Yerington and Lovelock areas.

AB 236 - Water Capital Improvement Bill for State grant program. BILL IS LAW. This bill would allow not-for-profit mutual water companies to be recognized for receiving State water grants under AB 198 program. Currently, only government owned utilities are eligible. Bill specifically requested by older mutual water company in Silver Springs to address arsenic issues.

AB 295 - Settelmeyer's Veteran Exemption Bill. BILL IS DEAD. This bill would allow veterans who are also spouses to continue to receive benefits. It has negligible fiscal impact but does close a loop hole.

AB 307 - Elimination of Publication Requirement of Annual Tax Rolls. BILL VETOED BY GOVERNOR. LEGISLATURE DID NOT OVERRIDE VETO. BILL IS DEAD. This bill eliminated the requirement for counties to publish annual tax rolls.

AB 328 - First Time Homebuyer Tax Exemption. BILL IS DEAD. This bill would have given a 1 year exemption on property taxes for first time homebuyers when they buy foreclosed homes. The bill is dead due to the Sponsor pulling the bill due to the many Federal tax breaks.

AB 345 - Veteran's Exemptions. BILL IS DEAD. Bill amended to a couple small fiscal impacts in order to help the veterans.

AB 349 - Parnell's EMT Bill. BILL IS LAW.

AB 363 - Another Graywater Bill. BILL IS DEAD.

AB 375 - Cooperative Extension Tax Bill. BILL KILLED BY SPONSOR. This bill would take 1/2 cent of the Cooperative Extension 1 cent tax and shift it to senior programs. University System and Cooperative Extension professionals to work with McClain to shift more funding to senior programs instead of through bill.

AB 376 - Water Conservation Bill. BILL DEAD

AB 377 - Surface Water/Ground Water Bill. BILL IS LAW. Steve has worked on this bill to turn into a resolution which will not affect existing state water law but would require State Engineer to use available science when making his determination.

AB 397 - Redevelopment Bill to Authorize School Expenditures. BILL IS DEAD. This bill came from Boulder City. It authorized the Redevelopment Authority to spend redevelopment funds on school operating and capital needs (enabling only).

AB 416 - Goicoechea's Water Bill. BILL IS LAW. This bill will put into effect existing State Engineer processes. No real effect on us.

AB 427 - Grady's Wildhorse/Taxation Bill. BILL KILLED BY SPONSOR.

AB 442 - Lobbying Bill. BILL IS DEAD. AMENDED ONLY REQUIRING CERTAIN REPORTING.

AB 458 - Redevelopment Funding to Schools. BILL IS DEAD. GOVERNOR VETO. SENATE DID NOT OVERRIDE VETO. Bill from Speaker Buckley and would take funding from Redevelopment and distribute it back to schools on a percentage of the total redevelopment

district property tax revenues on a graduated scale as follows: Year 1 will be 3%. Thereafter, the % will increase by 1% each year until it reaches 15% (2021).

AB 463 - Consultant Bill. BILL IS LAW- AFFECTING STATE ONLY.

AB 467 - Prevailing Wage Requirement on Lease Purchases. BILL IS LAW. Only prevailing wage bill affecting counties to survive the session and Governor's veto.

AB 480 - State Water Engineer's Fee Increase Bill. BILL IS LAW. PASSED LEGISLATURE. GOVERNOR VETOED BILL DUE TO FEE INCREASE. BILL OVERRIDDEN BY LEGISLATURE. This bill will increase the State Water Engineer's Fees. Some concerns expressed about amount of increase. Bill intent to replace positions funded last session and State eliminated.

AB 492 - Tax Abatements. BILL IS LAW. This bill puts in statute what the voters authorized in 2005 regarding setting parameters for tax abatements. Commission on Economic Development to provide notice to affected political subdivisions at least 30 days before action on application for any abatement.

AB 494 - Local Government Study of Major expenditures of Clark/Washoe. BILL IS LAW. This bill would require Clark and Washoe Counties and the cities within those counties to submit a report to the 2011 Legislative Session regarding the consolidation or reorganization of public safety, public works and general government functions. It was supported by Washoe County and City of Reno to assist in service consolidations.

AB 543 - Redirects Ad Valorem Taxes From Clark and Washoe for 2 Years. BILL IS LAW. The bill was increased to take 6 cents from Clark and Washoe Counties (4 cents General Fund and 2 cents Capital Projects monies which will also hit the cities in Clark and Washoe). Clark and Washoe negotiated with Legislature regarding mitigating impacts of this taking. Washoe County will be able to increase their Government Services Tax by 1% in order to compensate for the loss. Clark County is mitigating this taking by being allowed to redirect other taxes to the County to compensate for the loss (also ends up taking it from the cities, too). This bill will take \$99 million from Clark County and \$18 million from Washoe County. The bill is for 2 years, but the conventional wisdom is it will be permanent because 2011 may be a difficult fiscal year, also. No other local governments are affected by the bill.

AB 552 - Increase Collection Fee for Sales Tax Collections by 1%. BILL IS LAW. This bill will affect all local governments receiving the Consolidated Tax or local sales taxes by taking an additional 1% of the sales tax collections. Current fee is .75% and now it will go to 1.75% of sales tax revenues.

VARIOUS WORKERS COMPENSATION BILLS - There were many very onerous workers' compensation bills presented by the various employee unions to the Legislature this Session. Of these bills, only 6 primary bills affecting us passed. These bills are:

AB 24 - *Regarding Administration of Catastrophic Injuries.*

AB 173 - *Making Arson Investigators under the provisions of Heart/Lung Workers' Compensation Law.*

AB 281 - *Changes Workers' Compensation Process/Administration.* Allows public safety employees' contested claims to be submitted directly to an appeals officer bypassing the hearing officer.

AB 521 - *Firefighter Cancer.* This bill expands the list of substances which are known work related carcinogens.

SB 6 - *Volunteer Firefighters.* This bill removes the restriction of volunteer firefighters over the age of 55 don't qualify for heart/lung workers' compensation.

SB 363 - *Death Benefits.* Allows surviving spouse to retain death benefits upon remarriage.

VARIOUS ENERGY BILLS. There were two major energy bills passed by the Legislature and approved by the Governor as follows:

SB 358 - *Energy Omnibus Bill.* Includes Section 19.4 which requires local governments to develop a plan to retrofit public buildings, facilities and structures, including traffic-control system using renewable energy sources. Plan must be developed within 60 days of May 28, 2009 which is the effective date of the bill.

AB 522 - *Energy Abatement Bill.* Section 28 allows certain abatements for facilities for wholesale energy. Remaining taxes paid to be split between State and local governments.

That's it for now. Let me know if you have any comments or further direction.

June 10, 2009

**CARSON, DOUGLAS, LYON AND STOREY
2009 Legislature Budget Impact to Local Governments**

1) AB 552 Increasing .75% State Collection Fee on Sales Tax Collections to 1.75% - Gen Fund

Carson City	196,066
Douglas County	185,000
Lyon County	130,397
Storey County	<u>23,455</u>
	534,918

2) Taking of IAF/SUP Funds 2.5 cent ad valorem tax for Indigent Hospital Care but receiving higher LTC Federal Match:

County	FY 10 IAF/SUP Taking	FY 10 Fed Match	Net Loss to Hospitals
Carson City	456,768	378,341	78,427
Douglas County	842,045	206,484	635,561
Lyon County	413,353	267,408	145,945
Storey County	<u>153,010</u>	<u>6,539</u>	<u>146,471</u>
	1,865,176	858,772	1,006,404

3) AB 540 EMRB Fees of up to \$10 per employee.

Carson City	8,000
Douglas County	6,810
Lyon County	2,800
Storey County	minimal

4) AB 480 State Engineer Fees (for usage)

5) AB 428 Redevelopment Takings-Bill Failed. No Cost.

6) Taking 6 cent property taxes from Clark and Washoe Counties

Clark	99,000,000
Washoe	<u>18,000,000</u>
	117,000,000

IF 6 cent taken from our counties (no abatement), it would be:

Carson City	1,100,000
Douglas County	2,000,000
Lyon County	1,000,000
Storey County	<u>370,000</u>
	4,470,000

7) AB 65 Court Fee Increases- To be determined by court. For operation of courts.

8) PEBP: Eliminating subsidies for anyone retiring after July 1. Reducing existing retiree state employee subsidy by 5% (which means our County contributions should go down by 5%).

9) SB 427 Reform of Employee Benefits for PERS, PEBP and Employee Bargaining. PERS reform said to be \$150 million per year savings statewide. Not reflected in rates at this time.

ASSEMBLY WATER BILLS – Status as of 6/10/09

AB 18 -

Authorizes the issuance of bonds for environmental improvement projects for Lake Tahoe	Passed – voter approved bonds to due 4.5 million of erosion control on Nevada side of Lake.
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AB 54

Authorizes certain counties to require that certain owners and occupants of property connect to a public water or sewer system.	Passed – amended to require ground-water management plan be approved before connections required and also added public expenditures to flood proof houses – Washoe County specific
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AB 119

Requires the Truckee Meadows Regional Plan to include policies that are based on identified and sustainable water resources within Washoe County	“DEAD” – vetoed by Governor and veto override vote not considered due to party line vote in Senate.
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AB 226

This bill increases the maximum allowable debt for irrigation districts from \$350,000 to \$500,000 and increases the maximum annual assessment of irrigation 3 districts from \$1.50 per acre of land to \$5.00 per acre of land. (NRS 539.480)	Approved - axed at \$5 per acre w/ only \$1.50 to be used as O/M - dept limit 500K
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AB 236

Revises the provisions governing grants of money for water conservation and capital improvements to certain water systems to include a nonprofit association or nonprofit cooperative corporation that provides water service only to its members; and providing other matters properly relating thereto.	Approved - adds non-profit water company's to AB 198 Grant eligible list.
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AB 276

Revises provision relating to the filing of a protest to an application to appropriate water.	**DEAD** Heard Govt. Affairs 3/20 Assemblyman Goedhart's bill second try.
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AB 363

Requiring the State Board of Health to adopt regulations concerning systems for the collection and application of graywater for a single-family residence; providing that state and local government agencies must not require a permit for or prohibit the collection and application of graywater for a single-family residence that meets certain requirements; and providing other matters properly relating thereto	**DEAD** Heard Health/Human Services 4/6 Assemblywoman Leslie's bill really sponsored by Clark County Commissioner Chris G. comparable to Senator Cares SB 126.
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AB 376

Requiring certain suppliers of water that wish to change the rates they charge for the use of water to estimate the amount of water that will be conserved by the change in rates; imposing certain reporting requirements on those suppliers of water; and providing other matters properly relating thereto

****DEAD**** Heard Govt. Affairs 3/24 w/ stated opposition from TMWA and 7 rural counties -

AB 377

Imposing an additional condition on the approval by the State Engineer of an application for the beneficial use of water; and providing other matters properly relating thereto

Approved - Assemblyman Bobzein amended language to leg intent that was acceptable to all affected entities concerning best science to analyze relationship between surface/groundwater.

AB 416

Requiring the State Engineer or a person designated by him to conduct an inventory of a basin before approving an application for an interbasin transfer of groundwater under certain circumstances; and providing other matters properly relating thereto

Approved – Assemblyman Goicoechea's bill – minor impacts since most interbasin transfers are protested and hearings conducted. Exempts transfers of 250 acre feet or less.

AB 480

Makes various changes relating to fees collected by the State Engineer

Approved – Governor vetoed as expected with veto overridden -increases will raise 900K – replaced cuts co

SENATE WATER BILLS – Status as of 6/10/09**SB 37**

Authorizes the award of subgrants for certain purposes relating to the control of water pollution. (BDR 40-360)

Passed - removes onerous application process for non-point small grants to non-profits

SB 66

Allows for longer periods to complete work and apply water to a beneficial use for certain municipal and quasi-municipal uses.

Passed - Bill also includes language to make stay of SE decisions and more legitimate process and recognizes Muddy and Virgin River water as part of SNWA Colorado River allocation not subject to SE beneficial use procedures

SB 105

Revises the provisions governing the matching funds required for grants made by the Board for Financing Water Projects.

Passed - Allows AB 198 grant program to grant based on costs of project to allow grants to be smaller portion of total project costs

SB 111

Revises provisions governing membership on the Western Regional Water Commission and the Northern Nevada Water Planning Commission

Passed – cleaned up mistakes from last session's SB 487 – changing make-up of Washoe County Water planning oversight

SB 126

Local governments to allow the reuse of graywater in single-family residences.

****DEAD**** Bill pulled from schedule by sponsor Senator Cares bill requested by constituent.

SB 170

Authorizes an entity that owns, operates or maintains a ditch to recover from certain persons the reasonable expense of any work performed by the entity that is necessary for the operation and maintenance of the ditch; providing for the imposition of a lien against any property to which water is delivered through the ditch; and providing other matters properly relating thereto.

Approved – sponsored by Steamboat/Last Chance ditch owners in Washoe County, amended to give notice requirement if improvements are to occur. Supported by Douglas County ditch owners – Allerman Canal

SB 204

Revises provisions governing notice of an application for a permit to appropriate water.

****DEAD**** Bill pulled from scheduled hearing by sponsor 4/29 — a per request bill from Ely Shoshone Tribe via Senator Rhoads – amended but sponsor did not like amendment.

SB 311

Requiring the State Board of Health to adopt regulations requiring the fluoridation of water provided by certain public water systems and water authorities in certain counties; providing exceptions; and providing other matters properly relating thereto

****DEAD**** All other fluoridation in state has been voter approved. Bill was specific to TMWA, and initially tried to circumvent vote

SB 373

Directing the Legislative Commission to appoint a subcommittee to conduct an interim study concerning projects for the importation of water and to develop a sound strategy for the proposed use of water in this State; and providing other matters properly relating thereto.

****DEAD**** Senate Natural Resources heard bill on 5/28 and asked a letter be sent to interim Public Lands Committee to address issues

SB 374

Creating the Legislative Committee to Oversee the Southern Nevada Water Authority; and providing other matters properly relating thereto

****DEAD**** Heard Leg Operation 4/2