

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Third Session  
June 6, 2005**

The Committee on Ways and Means was called to order at 11:16 a.m., on Monday, June 6, 2005. Chairman Morse Arberry Jr. presided in Room 3137 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. Morse Arberry Jr., Chairman  
Ms. Chris Giunchigliani, Vice Chairwoman  
Mr. Mo Denis  
Mrs. Heidi S. Gansert  
Mr. Lynn Hettrick  
Mr. Joseph M. Hogan  
Mrs. Ellen Koivisto  
Ms. Sheila Leslie  
Mr. John Marvel  
Ms. Kathy McClain  
Mr. Richard Perkins  
Mr. Bob Seale  
Mrs. Debbie Smith  
Ms. Valerie Weber

**COMMITTEE MEMBERS ABSENT:**

None

**STAFF MEMBERS PRESENT:**

Mark Stevens, Assembly Fiscal Analyst  
Steve Abba, Principal Deputy Fiscal Analyst  
Anne Bowen, Committee Secretary  
Lila Clark, Committee Secretary

**OTHERS PRESENT:**

None

Chairman Arberry adjourned the meeting previously held at 8:00 a.m., June 6, 2005.

**Senate Bill 525: Apportions State Distributive School Account in State General Fund for 2005-2007 biennium. (BDR S-1491)**

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that S.B. 525 was the Distributive School Account (DSA) funding bill for the upcoming biennium. The bill provided appropriations that were necessary for the school districts to operate, without the class-size reduction appropriations. Mr. Stevens said the bill provided for basic support

amounts in FY2006 and FY2007. There was also a provision that had not been included in the bill before which would allow the Department of Education to adjust the basic support guarantee on October 1, 2005, if a school district was adversely impacted based on property tax projections due to the passage of A.B. 289. Formerly, the Department of Education had been allowed to adjust the second year basic support guarantee numbers based on the wealth in the school district.

S.B. 525 also provided for the transfer of various monies to the Regional Development Centers for remediation and a number of other areas that traditionally were funded by the DSA.

Assemblyman Seale referred to page 2, line 4, of S.B. 525 where the basic support for Eureka County of \$3,204 was shown in brackets and he wondered why.

Mr. Stevens responded that Eureka County had a high property tax structure and therefore would not receive any funding from the DSA in FY2005-06 based upon property tax projections. Mr. Stevens noted that the figure should probably read zero.

Assemblyman Marvel noted for the record that Eureka County usually received \$100 per year.

Chairman Arberry closed the hearing on S.B. 525 and opened the hearing on S.B. 95.

**Senate Bill 95 (1st Reprint): Makes various changes concerning state financial administration. (BDR S-1205)**

Mr. Stevens explained that S.B. 95 had been amended. In its original form it was the appropriation that was recommended by the Governor for transfer to the Rainy Day Fund. There had been some changes in amendments to S.B. 95.

The language related to the Rainy Day Fund, the Disaster Relief Account, and the Emergency Assistance Account; how those interplayed had been difficult to interpret, according to Mr. Stevens. Fiscal staff had numerous conversations with staff of the Treasurer's Office and the Controller's Office in order to come to an agreement as to how the statutes should be interpreted. The Treasurer's staff and Controller's staff had requested that cleanup legislation be submitted during the 2005 Session to clarify provisions in the bill.

Mr. Stevens noted there was one substantive change in S.B. 95 on page 3, Section 2, line 9, which would change the threshold for monies transferred into the Rainy Day Fund at the end of a fiscal year from 5 percent of General Fund operating appropriations to 10 percent. Mr. Stevens said that in the 2003 Session, when \$135 million had been transferred from the Rainy Day Fund to the General Fund there had been only \$1.3 million that remained in the Rainy Day Fund. The threshold had been reduced to 5 percent in case revenues came in higher than projected, allowing the opportunity to replace those funds in the Rainy Day Fund. Mr. Stevens stated that was in fact what had happened and approximately \$70 million had been transferred into the Rainy Day Fund on June 30, 2004. If S.B. 95 passed, with the appropriations included in the bill, the Rainy Day Fund would contain approximately \$200 million.

Mr. Stevens summarized that if the bill passed, at the end of each fiscal year, if the surplus in the General Fund exceeded 10 percent of General Fund operating

appropriations, of the amount over 10 percent, 40 percent would go to the Rainy Day Fund and 60 percent would remain in the General Fund as surplus.

Mr. Stevens explained that Section 4 and Section 5 of S.B. 95 were appropriations to the Rainy Day Fund that were proposed in FY2005-06. The Governor had proposed \$3 million in the first year of the biennium and \$68 million in the second year of the biennium.

Assemblyman Seale said if he understood Mr. Stevens correctly, when all was said and done there should be over \$200 million in the Rainy Day Fund.

Mr. Stevens replied that if S.B. 95 was approved that would be correct.

Ms. Giunchigliani pointed out that the Rainy Day Fund's name had been changed to the Fund to Stabilize the Operation of the State Government.

**Senate Bill 203 (1st Reprint): Revises various provisions relating to industrial injuries and occupational diseases of certain police officers and firefighters. (BDR 53-1078)**

Ronald P. Dreher, Government Affairs Director, Peace Officers Research Association of Nevada (PORAN), identified himself for the record and testified in support of S.B. 203.

Mr. Dreher stated that S.B. 203 contained three provisions. The first provision would extend hepatitis C baseline screening to certain state law enforcement agencies. Local government police officers received total coverage for hepatitis A, B, and C during the 2003 Session. Mr. Dreher said that as a compromise and to at least get some coverage for state law enforcement officers, the original bill was amended for baseline hepatitis C screening.

Appropriations required for the first year of the biennium would be \$61,845 from the General Fund and \$13,680 from the Highway Fund. In the second year of the biennium, \$6,042 would be required from the General Fund and \$1,026 from the Highway Fund.

Mr. Dreher said the second provision clarified that certain police officers and firefighters would be tested upon termination and post-termination for tuberculosis, diseases associated with tuberculosis, and hepatitis, and further would eliminate the current liability that was incurred by the Risk Management Division for not performing those tests. There would be no fiscal impact according to the Risk Management Division.

Mr. Dreher said the third provision would add the Game Wardens from the Department of Wildlife to NRS 617.135 and provide them with heart and lung conclusive presumptive benefits. Adding the Game Wardens to this section would have a fiscal impact. Mr. Dreher noted that the Risk Management Division stated in their fiscal note that the additional costs could be absorbed in the current requested funding and reserves. Game Wardens had been taking the annual physical heart and lung examinations for 20 years and to date had no known claims. Game Wardens were Category I peace officers and they were in the Police/Fire early retirement system. Mr. Dreher said all law enforcement agencies that were Category I peace officers and were in Police/Fire retirement received heart and lung coverage except Game Wardens.

Ms. Giunchigliani asked what the total cost of S.B. 203 would be.

Mr. Dreher responded that the cost would be approximately \$98,000.

Jim Fry, Deputy Risk Manager, Risk Management Division, Department of Administration, introduced himself for the record.

Mr. Fry explained there were two different fiscal notes, one for the heart coverage, of \$50,000 per year, within Budget Account 1352, Risk Management. The second fiscal note was for baseline testing, according to Mr. Fry. In S.B. 203 the appropriation had been made to the Risk Management Division for their disbursement to other agencies to pay for the baseline testing.

Ms. Giunchigliani asked if those fiscal notes were in the original bill. Mr. Fry replied that the fiscal notes were in the amended bill.

Ms. Giunchigliani asked why S.B. 203 was coming before the Committee so late in the Session when all the budgets had been closed and this bill provided for an expansion of who was covered under heart and lung, which carried a long-term impact. Mr. Fry responded that the Game Wardens had been having heart and lung physicals and paying for them for the past 20 years, so there would be no additional cost for the physicals. The Risk Management Division had been reviewing the results of those physicals for the past 20 years and during that time they had emerged as the healthiest group of law enforcement personnel.

Ms. Giunchigliani asked what the \$50,000 was for and Mr. Fry replied that it was in case there was a claim.

Ms. Giunchigliani asked where a contagious disease was defined. Mr. Fry responded that on page 6, Section 3, line 16, the various contagious diseases were outlined. Mr. Fry elaborated and said there had been two different opinions, one said not to give the test post-termination unless the officer or fireman had been previously exposed. The other opinion said to perform the post-termination test regardless of an exposure. Mr. Fry stated the difference of opinion put the Risk Management Division in a difficult position because some agencies were performing post-termination testing and others were not.

Ms. Giunchigliani asked if the bill was expanding Game Wardens to an area under which they had never been before.

Mr. Fry replied that Game Wardens were being expanded to the definition of police officer. Ms. Giunchigliani said that put them under heart and lung and Mr. Fry responded that was correct.

Ms. Giunchigliani said the second expansion was adding contagious disease. Mr. Fry said there were two contagious disease components in the bill. One component was post-termination, and the language was being clarified to say regardless of exposure history.

Ms. Giunchigliani summarized that the bill was codifying alleged legislative intent, adding Game Wardens under heart and lung, and adding contagious disease.

Ms. Giunchigliani asked what the fiscal note was for adding contagious disease. Mr. Fry said there was no fiscal note for post-termination testing. Ms. Giunchigliani asked what the \$120,000 fiscal note was for, and Mr. Fry replied that was for hepatitis C screening for state police officers.

Ms. Giunchigliani asked if anyone remembered why state police officers had not been included when hepatitis C screening had originally passed into legislation and Mr. Fry replied that it had been the cost.

Mr. Dreher stated that the cost had been reduced from \$219,000 to \$121,000 just to provide the baseline screening for hepatitis C for the current employees in state law enforcement agencies as well as any new hires over the biennium. Mr. Dreher noted that the cost of one hepatitis C screening was \$25.50. All the agencies provided fiscal notes, which was why screenings for all three types of hepatitis could not be implemented, according to Mr. Dreher. However, the intent of PORAN was to procure screenings for all three types of hepatitis for firefighters and peace officers.

Ms. Giunchigliani asked how the appropriation would be funded when the budgets had all been closed and this was the last day of the session. She stated she would confer with staff.

Assemblywoman Weber asked if the baseline screening was done on an annual basis to determine if hepatitis C antibodies were present, would an incident of exposure be covered as well.

Mr. Fry replied that with any exposure, blood borne or air borne, any employee in the state of Nevada had to be tested for the antibodies within 72 hours of exposure to ensure they did not have the disease prior to exposure. An exposed employee would be tested periodically after exposure and given any preventative treatment a doctor would recommend.

Ms. Weber said she was concerned with on-the-job exposure other than annual testing and wondered if that was addressed in S.B. 203.

Mr. Fry replied that contingency was covered in a section relating to exposure. Ms. Weber asked if annual testing was what was being added. Mr. Fry explained it would be the initial testing for hepatitis C in order to acquire a baseline on the current peace officers and on new hires. Ms. Weber asked if they would receive the hepatitis C tests annually thereafter. Mr. Fry replied that state peace officers would not receive annual testing, except for a few officers in a special category.

Robert Buonomici, Chief Game Warden, Department of Wildlife, introduced himself for the record and urged the Committee to support S.B. 203.

Gary Wolff, Teamsters Union Local 14, introduced himself for the record and stated it was very important that S.B. 203 was passed.

Chairman Arberry declared the hearing on S.B. 203 closed and opened the hearing on S.B. 314.

**Senate Bill 314 (1st Reprint): Transfers money from Fund for the Promotion of Tourism to certain state and local governmental entities for various cultural, historical and tourist-related activities. (BDR S-468)**

Mr. Stevens explained that S.B. 314 provided tourism dollars for a number of projects that the Senate Finance Committee had proposed. Mr. Stevens noted that the Committee on Ways and Means and the Senate Finance Committee had approached the additional tourism funds from different directions. The Assembly had passed A.B. 289, which was the stewardship bill in the Historic Preservation Office, and sent it to the Senate. A number of General Fund

appropriations were reduced in order to free-up General Funds for deferred maintenance projects in the Division of State Parks' budget and the Railroad Museum budget. The Senate had included those projects as a direct transfer from the room tax account.

Chairman Arberry declared the hearing on S.B. 314 closed and opened the hearing on S.B. 521.

**Senate Bill 521: Makes appropriations to Division of Parole and Probation of Department of Public Safety and to State Board of Parole Commissioners for installation of and expenses relating to closed-circuit security systems. (BDR S-1487)**

George Togliatti, Director, Department of Public Safety, identified himself for the record and testified in support of S.B. 521. Mr. Togliatti stated that while he supported S.B. 521 it had not been part of the Department's original budget. He said he believed what had precipitated the introduction of the bill was the fact there had been an incident at one of the Department's buildings in Las Vegas. There had been a bomb placed at the building and while it had not exploded, it had the capability to do so, and had been detonated later at a remote location. Mr. Togliatti stated that at the same building, a Molotov cocktail had been thrown on the roof in February 2005.

Dorla Salling, Chairman, Nevada Board of Parole Commissioners, identified herself for the record and urged support of S.B. 521.

Gary Wolff, Teamsters Union Local 14, identified himself for the record and urged support of S.B. 521.

Chairman Arberry declared the hearing on S.B. 521 closed and opened the hearing on S.B. 522.

**Senate Bill 522: Authorizes expenditures by agencies of State Government. (BDR S-1488)**

Mr. Stevens explained that S.B. 522 was the General Authorizations Act, one of the appropriation bills, which would be voted on later in the full Assembly. The bill traditionally authorized the General Fund appropriation that provided support for the Gaming Control Board. Mr. Stevens said all the non-General Fund and non-Highway Fund dollars necessary to finance the budget closings were contained in S.B. 522.

Chairman Arberry declared the hearing on S.B. 522 closed and opened the hearing on S.B. 523.

**Senate Bill 523 (1st Reprint): Temporarily reduces rate of tax on certain businesses. (BDR 32-1478)**

Mr. Stevens explained that S.B. 523 would sunset on June 30, 2007, and it would reduce the modified business tax from .65 percent to .63 percent of the payroll tax during the upcoming biennium.

Chairman Arberry closed the hearing on S.B. 523 and opened the hearing on S.B. 95.

**Senate Bill 95 (1st Reprint): Makes various changes concerning state financial administration (BDR S-1205)**

ASSEMBLYMAN MARVEL MOVED DO PASS S.B. 95.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Leslie, Assemblyman Perkins, and Assemblywoman Smith were not present for the vote.)

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**Senate Bill 522: Authorizes expenditures by agencies of State Government.  
(BDR S-1488)**

ASSEMBLYWOMAN McCLAIN MOVED DO PASS S.B. 522.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Leslie, Assemblyman Perkins, and Assemblywoman Smith were not present for the vote.)

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**Senate Bill 525: Apportions State Distributive School Account in State General Fund for 2005-2007 biennium. (BDR S-1491)**

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED DO PASS S.B. 525.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

Ms. Giunchigliani noted for the record that S.B. 525 contained the provision that the school districts would be held harmless if property tax numbers fluctuated based on the recalculations.

THE MOTION CARRIED. (Assemblywoman Leslie, Assemblyman Perkins, and Assemblywoman Smith were not present for the vote.)

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Assemblyman Hettrick remarked that he had been receiving email from a school board member in Douglas County who had maintained that funding would not cover what was intended in the budget.

Mr. Hettrick said he had been discussing the situation with Mark Stevens, who stated the funding was based upon the 2004 base year and also the average of the school districts because every school district was not computed individually. Mr. Hettrick said it was not known what the Douglas County School District had done in 2005 because the Legislature did not know what had been negotiated or what the District had agreed to fund, so it could be possible that when the District calculated it could appear they would be short on cash flow.

Mr. Hettrick said he believed it had been done the same way every time, and the State was not trying to short any school district any amount of money, but the budget could not be adjusted to every individual school district.



Mr. Stevens commented that the Douglas County School District could have done something in 2005 that was not taken into account in the 2004 base numbers, or Douglas County's experience was different from the statewide average. Mr. Stevens noted that there was the provision in the DSA bill that would prevent the districts from being harmed based on the amount of property tax that was being estimated to flow into each of the districts.

**Assembly Bill 577: Increases salaries of certain state employees. (BDR S-1490)**

Mr. Stevens stated A.B. 577 had been introduced and asked if the Committee wanted to process the bill.

ASSEMBLYMAN DENIS MOVED DO PASS A.B. 577.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Leslie, Assemblyman Perkins, and Assemblywoman Smith were not present for the vote.)

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Chairman Arberry recessed the meeting at 11:59 a.m. and reconvened at 5:39 p.m.

Chairman Arberry made a statement admonishing lobbyists to comply with recognized procedures.

**Senate Bill 101: Makes appropriation to Legislative Counsel Bureau. (BDR S-1218)**

Mr. Stevens stated that S.B. 101 was currently on the Chief Clerk's desk and there was a potential amendment that the Committee could consider. S.B. 101 was a one-shot appropriation for the Legislative Counsel Bureau that was included in The Executive Budget. There had been some discussion in the past few weeks as to whether a warehouse should be built next to the Printing Office to provide extra space as well as eliminate leased space. Mr. Stevens said there had been a proposal to provide a one-shot appropriation to fund that warehouse which had not been approved. The alternative was to lease-purchase the warehouse building which would cost approximately \$100,000 per year which would have to be added to S.B. 101.

ASSEMBLYMAN PERKINS MOVED TO RESCIND PRIOR ACTION  
TAKEN ON S.B. 101.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Smith was not present for the vote.)

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ASSEMBLYMAN PERKINS MOVED TO AMEND AND DO PASS  
S.B. 101.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.



THE MOTION CARRIED. (Assemblywoman Smith was not present for the vote.)

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**Senate Bill 165 (2nd Reprint): Specifies permissible uses by State Department of Agriculture of certain fees and other money. (BDR 50-1136)**

Mr. Stevens stated that S.B. 165 would transfer the Petroleum Inspection Fee that was currently deposited in the General Fund and move those funds to the Division of Weights and Measures in the Department of Agriculture effective in the next biennium.

ASSEMBLYMAN MARVEL MOVED DO PASS S.B. 165.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Smith was not present for the vote.)

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**Senate Bill 314 (1st Reprint): Transfers money from Fund for the Promotion of Tourism to certain state and local governmental entities for various cultural, historical and tourist-related activities. (BDR S-468)**

Mr. Stevens stated that S.B. 314 was the Senate version for utilizing the additional tourism dollars available to the committees.

ASSEMBLYMAN PERKINS MOVED DO PASS S.B. 314.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Senate Bill 518: Replaces Interstate Civil Defense and Disaster Compact with Emergency Management Assistance Compact. (BDR 36-1439)**

Mr. Stevens explained that S.B. 518 replaced the Interstate Civil Defense and Disaster Compact with the Emergency Management Assistance Compact.

Assemblywoman Smith commented that the Interstate Civil Defense and Disaster Compact had been adopted under Governor Bob Miller and was basically obsolete and needed to be brought up to date.

ASSEMBLYWOMAN SMITH MOVED DO PASS S.B. 518.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Senate Bill 523 (1st Reprint): Temporarily reduces rate of tax on certain businesses. (BDR 32-1478)**

Mr. Stevens explained that S.B. 523 would reduce the Modified Business Tax from .65 percent to .63 percent for the current biennium and would sunset on June 30, 2007.

ASSEMBLYMAN PERKINS MOVED DO PASS S.B. 523.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Senate Bill 203 (1st Reprint): Revises various provisions relating to industrial injuries and occupational diseases of certain police officers and firefighters. (BDR 53-1078)**

Mr. Stevens explained that S.B. 203 would allow heart and lung benefits for Game Wardens for the Department of Wildlife and add annual testing for hepatitis C for state firefighters and peace officers.

ASSEMBLYMAN MARVEL MOVED DO PASS S.B. 203.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Senate Bill 521: Makes appropriations to Division of Parole and Probation of Department of Public Safety and to State Board of Parole Commissioners for installation of and expenses relating to closed-circuit security systems. (BDR S-1487)**

Mr. Stevens explained that S.B. 521 provided funding for security systems at the Division of Parole and Probation.

ASSEMBLYMAN HETTRICK MOVED DO PASS S.B. 521.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Mr. Stevens commented that he would provide a Floor statement regarding the Appropriations Act to the Committee members.

Chairman Arberry recessed the meeting at 5:50 p.m. and reconvened at 8:18 p.m.

Chairman Arberry asked the Committee to consider introduction of the following bill draft request:

- BDR S-1497- Makes various changes relating to public administration. (A.B. 580).

ASSEMBLYWOMAN LESLIE MOVED FOR COMMITTEE  
INTRODUCTION OF BDR S-1497.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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The meeting was recessed at 8:20 p.m. and due to time constraints was not reconvened.

RESPECTFULLY SUBMITTED:

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Anne Bowen  
Committee Secretary

APPROVED BY:

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Assemblyman Morse Arberry Jr., Chairman

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

<b><u>EXHIBITS</u></b>			
<b>Committee Name:</b> <u>Committee on Ways and Means</u>			
<b>Date:</b> <u>June 6, 2005</u>		<b>Time of Meeting:</b> <u>11:00 a.m.</u>	
<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda