

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Seventy-Fourth Session
May 18, 2007**

The Committee on Commerce and Labor was called to order by Chair John Ocegüera at 2:46 p.m., on Friday, May 18, 2007, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman John Ocegüera, Chair
Assemblyman Marcus Conklin, Vice Chair
Assemblywoman Francis Allen
Assemblyman Bernie Anderson
Assemblywoman Barbara E. Buckley
Assemblyman Chad Christensen
Assemblywoman Heidi S. Gansert
Assemblyman William Horne
Assemblywoman Marilyn Kirkpatrick
Assemblyman Garn Mabey
Assemblyman Mark Manendo
Assemblyman David R. Parks
Assemblyman James Settelmeyer

COMMITTEE MEMBERS ABSENT:

Assemblyman Morse Arberry, Jr. (excused)

Minutes ID: 1343



STAFF MEMBERS PRESENT:

Brenda Erdoes, Committee Counsel
David Ziegler, Committee Policy Analyst
Earlene Miller, Committee Secretary
Gillis Colgan, Committee Assistant

[The roll was called and a quorum was present.]

Chair Oceguera:

The first order of business is to ask for a bill introduction.

BDR 58-1512—Revises provisions governing tax exemptions and abatements to encourage construction of energy efficient buildings. (Later introduced as [Assembly Bill 621](#).)

ASSEMBLYMAN CONKLIN MOVED TO INTRODUCE BDR 58-1512.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED.

The next order of business is a work session on [Senate Bill 279 \(1st Reprint\)](#).

[Senate Bill 279 \(1st Reprint\)](#): Makes various changes concerning contractors and the State Contractors' Board. (BDR 54-624)

David Ziegler, Committee Policy Analyst:

[Distributed work session document ([Exhibit C](#)).]

[Senate Bill 279 \(R1\)](#) was introduced by the Senate Committee on Commerce and Labor on behalf of the State Contractors' Board. It was heard in this Committee on various dates. It increases the monetary limit for exemption from regulation by the Contractors' Board from \$500 to \$1,000; consolidates two existing sections of the Board's Investigations Office; authorizes the Board to partially exempt corporations from requirements to continuously report all officer changes; authorizes the Board to collect certain statistical data on complaints; and makes failure to maintain industrial insurance grounds for discipline. The bill expands the type of financial information the Board can require from a licensee; authorizes biennial license renewal; and authorizes the Board to investigate unlicensed contractors, issue citations, and impose administrative penalties on unlicensed persons. This bill went to a subcommittee.

Assemblyman Anderson:

Since the subcommittee meeting, Mr. Conklin and I met with the interested parties and worked out additional compromises to the bill. It is a good compromise and meets our requirements.

Chair Oceguera:

I will entertain a motion.

ASSEMBLYMAN ANDERSON MOVED TO AMEND AND DO PASS
SENATE BILL 279 (1st REPRINT) WITH THE AMENDMENTS IN
THE MOCK-UP.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

Is there any discussion?

Assemblywoman Allen:

I was on the first subcommittee.

Chair Oceguera:

Mr. Conklin will describe the changes from the subcommittee.

Assemblyman Conklin:

After the subcommittee, a couple of the interested parties asked for help in forging a compromise. There were still issues in contention, but they could not agree. This is the agreement they made. In the mock-up, in Section 11.5, it clarifies that the Board is not to release information pertaining to a complaint until they are ready to initiate disciplinary action. That has always been in statute and we are making it clearer. Section 11.7, adds language which states that the Board shall, within two years after the date a complaint is filed, initiate disciplinary action against the licensee or dismiss the complaint. In *Nevada Revised Statutes* (NRS) 11.190 there is a similar statute that we believe governs this; but we want to make it clear that the statute of limitations is two years or a six-year total for this action, with the consumer having a four-year period to initiate the complaint. That was agreed to by all parties.

Assemblywoman Allen:

The reason we have to reiterate so much of what is already in the NRS is that the Contractors' Board has been overstepping its authority. The fact that they came here and asked to publish complaints that are unvetted and unsubstantiated is a concern to me. I will go with the will of the Committee.

Assemblyman Horne:

I want to go on record that when we left the subcommittee, the agreement was to withdraw the proposed amendment from Keith Lee, representing the Board of Medical Examiners. I got the impression that there was still concern amongst the parties and am disappointed that there were subsequent problems.

Chair Oceguera:

Are there other comments?

Assemblyman Settlemeyer:

In the original bill, my objection was the concept of publishing and disseminating to the public unsubstantiated and unproven complaints. Is that now out of the bill?

Chair Oceguera:

That is correct. It is completely removed.

Assemblyman Conklin:

I want to know where Mr. Settlemeyer sees verbiage for unsubstantiated complaints. I only worked on the amended portion.

Assemblyman Settlemeyer:

I just want to make sure for the record that it is not in the amendment.

Chair Oceguera:

I do not know that it was in the original bill, but it was inferred that it was a possibility that it could be done.

Brenda Erdoes, Committee Counsel:

The amended language prohibits it. It makes it clear that no complaint with any identifying information on it is allowed to be disseminated.

Assemblywoman Gansert:

Section 11.5 says the complaint or other document filed by the Board to initiate disciplinary action and all the documents considered by the Board are public records. So once they decide to initiate some action, everything becomes public?

Brenda Erdoes:

That is correct. Subsection 1 addresses confidentiality prior to initiating disciplinary action before the hearing. Subsection 2 makes everything public once there has been disciplinary action initiated.

Assemblywoman Gansert:

In Section 11.7, do they have two years to initiate or dismiss?

Brenda Erdoes:

That is correct. After that date, if they have not initiated, it is done.

Assemblywoman Gansert:

Is that an automatic dismissal after two years?

Brenda Erdoes:

Yes, it is.

Assemblyman Conklin:

Chapter 11, subsection 190 of the NRS has this provision, not NRS 624.

Chair Ocegüera:

Is there further discussion?

THE MOTION PASSED.

Assemblyman Anderson:

I hear the concerns raised by Ms. Allen and Mr. Horne who were part of the subcommittee and were not subsequently part of the discussion. After the subcommittee, there were additional concerns raised by both parties who continued to have discussions after our meeting. They approached Assemblyman Conklin, who contacted me. Rather than go back to the start, we proceeded. I personally apologize to you for leaving you out of the subsequent discussion.

Chair Ocegüera:

Mr. Anderson will take the bill to the Floor. We will move to Assembly Bill 619.

**Assembly Bill 619: Creates the Nevada Automobile Theft Authority.
(BDR 18-1503)**

David Ziegler, Committee Policy Analyst:

[Distributed work session document ([Exhibit D](#)).]

Assembly Bill 619 was sponsored by Assemblymen Ocegüera, Conklin, and Buckley. It creates the Nevada Automobile Theft Authority and the 13-member Nevada Automobile Theft Authority Board within the Division of Insurance. It directs the Authority to determine the scope of the motor vehicle theft problem in Nevada, analyze methods of reducing the problem, develop and carry out plans for reducing motor vehicle theft and funding the Authorities' activities.

It also is directed to submit periodic reports to the Governor, the Legislature, and others. The bill also creates the Fund for the Nevada Automobile Theft Authority. Each insurer must pay into the Fund a semiannual fee of 50 cents for each vehicle insured. The Authority will manage the Fund and may use it only for carrying out its duties and making grants to public agencies for law enforcement, prosecution, education, and prevention. The Authority may use no more than 10 percent of the money in the Fund for administration in any fiscal year. The Audit Division of the Legislative Counsel Bureau must audit the Fund every two years. The bill also provides that a person convicted of grand larceny of a motor vehicle must not be released on probation or granted a suspended sentence if he has been previously convicted of that crime or attempted crime and must pay a civil penalty of \$100 into the Fund. There are proposed amendments which consist of five amendments and three options.

The first proposed amendment is to increase the civil penalty in Section 13 from \$100 to \$500. The second is to relocate the authority to the Department of Motor Vehicles (DMV) and have the Insurance Commissioner become a voting member and the Director of the DMV a nonvoting member. The restrictions against probation will kick in after the third conviction. There is a note which explains the rule on habitual criminals. The amendments would provide that the insurer collects the fee of 50 cents from the policyholders and may include the fee as a line item in their statements and indicate the purpose of the fee.

A concern expressed the day of the hearing by Mr. Spinello, who represents Progressive Insurance, was that you might have a situation in which someone changes coverage and could be charged twice. Month-to-month premium payers could be theoretically charged six times. Mr. Spinello proposed different options to try to express the idea that the fee is per insured car once or twice a year.

Chair Oceguela:

Is there any discussion?

Assemblyman Anderson:

Each insured in the State will pay 50 cents per car for each six-month period, or a dollar annually for each vehicle they own.

Chair Oceguela:

That is correct.

Assemblywoman Buckley:

I had a question on whether the insured or the insurer pays the fee. I believe the answer was the insurer. Then it was stated that they could pass it through

and I said "or not." If the insurance companies have reduced losses, then maybe everyone will get a lower premium and there will be no pass-through. That is what we want. This is such a big problem.

A few years ago, both of my cars were stolen out of my garage. My purse was stolen and the perpetrator was using my bank card. We looked for our own vehicles. We found the cars and the perpetrator was arrested. When I called the police as a private citizen, they said they do not take police reports on car thefts because they are too busy and there are too many car thefts. They found the perpetrators who stole our cars. They were part of a car theft ring and they were prosecuted. We have to do something different. With growth, the police are so busy with other issues that we all pay for it.

Assemblyman Settlemeyer:

I brought up the question about the fees to the insurance company and they indicated the fees would be a pass-through. They are reluctant about the concept.

Chair Oceguera:

I am willing to pay a dollar if our insurance rates stabilize. We need to make a decision on the three options.

David Ziegler:

I had a discussion with Mr. Spinello about the three options. He said the first option, which just has a date, is analogous to the way schools count students on a specific date. If you were insured on a certain date, the fee is 50 cents. The other two options try to capture a unique vehicle and a unique policy. We converted what he told us to a mock-up. It seems to me that option one is the simplest from a drafting perspective.

Chair Oceguera:

I think it is the simplest, also.

Assemblyman Conklin:

This is a good bill. I have been working with the insurance industry. It is very important to the insurance industry to get a handle on some of the things that drive cost. No matter the cost, there will be a pass-through. Other states that have an automobile theft authority saw a stabilization of their theft rates.

Chair Oceguera:

I would accept a motion.

ASSEMBLYMAN CONKLIN MOVED TO AMEND AND DO PASS ASSEMBLY BILL 619 TO INCLUDE THE PROPOSED AMENDMENTS AND OPTION ONE.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

Is there any discussion?

Assemblywoman Gansert:

I have mixed feelings on this bill. There is a lot that can be done without legislation. It seems that the dollar is related to the grant system. It is small, but it is another fee and that is my quandary. I like what you are trying to achieve.

Assemblyman Manendo:

If the police do not respond or take reports, we need to do something. If this is not a priority to law enforcement, nothing will get done. I hope this will become a priority because it is costing our residents so much money, aggravation, and stress. A lot of it seems to be targeted at senior citizens because they are easy prey. We are responding to the community's needs.

Assemblyman Anderson:

I hope with this legislation we will see some level of cooperation from law enforcement. I am distressed that the consumer will have to pay the fee and hope with these amendments law enforcement will feel it is important.

Assemblywoman Allen:

This is a great concept and we have to do something. It is a huge problem in southern Nevada. I am not fond of the fee; I can foresee the fee being collected and I am going to be irritated if the number of vehicles being stolen does not diminish. It has been indicated that there is a reduction in car thefts after two years, but then it tapers off while the fees continue to be collected.

Chair Ocegüera:

I would be happy to pay the fee and see my rates stay the same.

Assemblyman Mabey:

I have some personal concerns, but I believe my constituents would vote yes.

Chair Oceguela:

Are there any further questions? I see none.

THE MOTION PASSED. (ASSEMBLYMAN ARBERRY WAS ABSENT FOR THE VOTE. ASSEMBLYMEN SETTELMAYER AND CHRISTENSEN VOTED NO.)

The meeting is adjourned [at 3:24 p.m.].

RESPECTFULLY SUBMITTED:

Earlene Miller
Committee Secretary

APPROVED BY:

Assemblyman John Oceguela, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Commerce and Labor

Date: May 18, 2007

Time of Meeting: 2:46 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B.279 (R1)	C	David Ziegler, Committee Policy Analyst	Work Session Document
A.B 619	D	David Ziegler, Committee Policy Analyst	Work Session Document