

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

**Seventy-Fourth Session
April 11, 2007**

The Committee on Commerce and Labor was called to order by Chair John Oceguera at 12:35 p.m., on Wednesday, April 11, 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 Oceguera, Chair
Assemblyman Marcus Conklin, Vice Chair
Assemblywoman Francis Allen
Assemblyman Morse Arberry Jr.
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 Bernie Anderson (Excused)



GUEST LEGISLATORS PRESENT:

Assemblywoman RoseMary Womack, Assembly District No. 23
Assemblyman Moises (Mo) Denis, Assembly District No. 28
Assemblyman James Ohrenschall, Assembly District No. 12
Assemblyman Ruben J. Kihuen, Assembly District No. 11

STAFF MEMBERS PRESENT:

Brenda Erdoes, Committee Counsel
Dave Ziegler, Committee Policy Analyst
Judith Coolbaugh, Committee Secretary
Gillis Colgan, Committee Assistant

OTHERS PRESENT:

Debra Scott, Executive Director, State Board of Nursing
Fred L. Hillerby, representing the State Board of Nursing and MasterCard
Worldwide
Fred Olmstead, Attorney, State Board of Nursing
Crystal Abba, Assistant Vice Chancellor, Nevada System of Higher
Education
Jenny Welsh, representing the Nevada Association of Realtors
Gail J. Anderson, Administrator, Real Estate Division, Division of
Insurance, Department of Business and Industry
Teresa B. McKee, representing the Nevada Association of Realtors
Dottie Whitaker, Private Citizen, Las Vegas, Nevada
Lawrence P. Matheis, Executive Director, Nevada State Medical
Association
Larry L. Pinson, Executive Secretary, State Board of Pharmacy
Joanee Quirk, Program Administrator, State Board of Pharmacy
Denise Selleck Davis, Executive Director, Nevada Osteopathic Medical
Association
Mary F. Lau, President and Chief Executive Officer, Retail Association of
Nevada
Parley Anderson, representing the Nevada Physical Therapy Association
Daryl Lawson, Faculty, School of Public Health and School of Medicine,
University of Nevada, Reno
Terry Goddard, Attorney General, State of Arizona
Catherine Cortez Masto, Attorney General, Office of the Attorney General
Terry Lesney, Captain, Las Vegas Metropolitan Police Department
Dino DiCianno, Executive Director, Department of Taxation

Rusty McAllister, representing the Professional Firefighters of Nevada
Robert A. Ostrovsky, representing the Nevada Lenders Association
Dylan Shaver, representing the Nevada Petroleum Marketers and
Convenience Store Association
Mike Cox, President, Allied Washoe Petroleum
Steve Yarborough, Owner, Sierra Service Station Company
Glenn Hibel, Chief Financial Officer, Allied Washoe Petroleum
William R. Uffelman, representing the Nevada Bankers Association
Troy Dillard, Administrator, Compliance Enforcement Division,
Department of Motor Vehicles
Kathleen E. Delaney, Senior Deputy Attorney General, Bureau of
Consumer Protection, Office of the Attorney General
James Campos, Commissioner, Consumer Affairs Division, Department of
Business and Industry
Michael D. Geeser, representing the American Automobile Association
(AAA) Nevada
Tracey A. Woods, Vice President of Government Affairs, Retail
Association of Nevada

Vice Chair Conklin:

[Roll called.] We do not have a quorum, but we will proceed with hearing testimony. No votes will be taken until a quorum is present. I am opening the hearing on Assembly Bill 491.

Assembly Bill 491: Makes various changes concerning the clinical education of a student in a school of nursing. (BDR 54-1339)

Debra Scott, Executive Director, State Board of Nursing:

We have some amendments ([Exhibit C](#)) to offer on this bill. We became aware of some problems the nursing schools and hospitals were having with fingerprinting students before they go into their clinical rotation.

Vice Chair Conklin:

Are you the original sponsor of the bill, or are you here just to offer amendments?

Debra Scott:

We are working with Ms. Leslie. We are here to provide background information for the Committee's consideration.

Vice Chair Conklin:

Mr. Hillerby, can you clear this up for us?

Fred L. Hillerby, representing the State Board of Nursing and MasterCard Worldwide:

Ms. Leslie submitted this bill at the request of a group of nurses. I spoke to Ms. Leslie and told her we had a couple of amendments. It is my understanding that she wanted us to bring the bill forward to this Committee.

Vice Chair Conklin:

If the Committee has questions on the bill, are you or the other people here prepared to answer those questions?

Debra Scott:

I am. The original concept of the bill was to offer the services of the State Board of Nursing to handle the process of issuing a certificate of privilege for nursing students prior to their entering their clinical rotation. The bill, as it is written, does not meet our original provisions. The amendments will clarify some of those provisions, and make it work better for everyone involved.

Vice Chair Conklin:

Have you provided those amendments in writing?

Debra Scott:

Yes, we have. The amendments were written and approved by the staff at the State Board of Nursing. Mr. Olmstead, our attorney, will summarize them for you.

Fred Olmstead, Attorney, State Board of Nursing:

The School of Nursing handles nurses' education. To complete the program, the nurses are required to do clinical education and training. Hospitals operate the clinical education part of the program, and they require fingerprints. Some hospitals are doing the fingerprints; some are not. There have been problems with some of the nursing students showing up for their clinical education, and then they are pulled off the floor. The hospital administrators are telling these students that their fingerprint report has come back with an infraction that prevents them from completing their clinical education at that facility. This situation is embarrassing for the nursing students. The State Board of Nursing stepped in and said they would help. The three groups involved in the fingerprinting process are the School of Nursing, the hospital administrators, and the State Board of Nursing. According to the Federal Bureau of Investigation (FBI), if fingerprints are going to be required, there must be explicit statutory authority to do so.

The amendment for Section 4 would change *Nevada Revised Statutes* (NRS) 632.344 to give the State Board of Nursing the statutory authority to

fingerprint the nursing students, and submit the fingerprints for a criminal history report. Section 3 is a definition of the privilege to participate in clinical nursing courses. Section 2 of the bill is a schedule of fees and charges for obtaining a certificate of privilege for nursing students to participate in the clinical nursing courses.

Section 1 contains the majority of the proposed amendments. The bill, as it is written, contains the word, "enroll," which requires nursing students to get fingerprinted before they can enroll. If a nursing student is ready for clinical rotation in a hospital, the possibility exists that the hospitals may want to do the fingerprinting themselves. If a nursing student with a criminal history wants to enroll in the program he would be prohibited from enrolling in the nursing program. If he does enroll, then he may have another option to receive his clinical experience at a facility other than a hospital. The amendments proposed give the authority to the State Board of Nursing to obtain the criminal history report and do the fingerprinting. It does not imply that a hospital must take the nursing students. One of the requirements for the certificate of privilege is "good moral character." It is the same process that the State Board of Nursing goes through for licensure. By giving the State Board of Nursing this statutory authority, the interaction between the nursing students and the hospitals will be improved.

Vice Chair Conklin:

Is Section 2 in your mock-up amendment the same as Section 2 in the bill, or are there additional changes?

Fred Olmstead:

There are no additional changes.

Assemblyman Settlemeyer:

Can you clarify the fee application for a certificate to practice as a nursing assistant? The amount in the amendment is a fee of not less than \$45 and not more than \$100. The original bill lists these fees as \$15 and \$50.

Fred Olmstead:

That is probably a typographical error on my part. I meant the figures to be identical. It was not my intent to amend Section 2 of the original bill.

Vice Chair Conklin:

We will note that. You also added Sections 3 and 4. Are there any questions? Ms. Scott, do you have additional comments?

Debra Scott:

No, I do not.

Assemblyman Christensen:

We are trying to encourage people to enter nursing programs. Why are you requesting a fee increase?

Vice Chair Conklin:

I do not see a fee increase, but I do see the addition of fees under certain circumstances. Is that correct?

Debra Scott:

That is correct.

Vice Chair Conklin:

The fee increases have been testified to as a typographical error in the amendment. However, the amendment on lines 21-25 includes two additional categories. They are for a certificate of privilege to enroll in a course of clinical education and for the electronic submission of fingerprints.

Assemblyman Settlemeyer:

Why are we charging nursing students for an application for a certificate of privilege to enroll in a course in clinical education when this State is in desperate need of more nurses? If we have a deficiency in available nurses, I would be willing to have the government subsidize their fees.

Debra Scott:

The State Board of Nursing's only funding is from fees. We receive no General Funds. In order for our employees to do the processing, there will be extra costs to our agency.

Assemblywoman Gansert:

The certificate is being created because the students will be working with patients, so you want to make sure that candidates have a clean record. Is that correct?

Debra Scott:

Yes, the clinical facilities already require the nursing students to have these certificates. The certificate is only for participation in clinical rotation. With the certificate a nursing student can do all rotations in any hospital. We are not adding anything different to the procedure already in place. This certificate will prevent the nursing students from having to obtain fingerprints at each hospital in their clinical rotation.

Vice Chair Conklin:

[The Vice Chair instructed the Committee Secretary to place in the record that the Committee has a quorum present.] Are there any questions? Are there others here to testify in support of this bill?

Crystal Abba, Assistant Vice Chancellor, Nevada System of Higher Education:

We did have some concerns with the original bill language, but we are in support of the bill with the amendments.

Vice Chair Conklin:

Are there any questions? Are there others in favor? Is there anyone in opposition or wishing to testify from a neutral position? Seeing none, I am closing the hearing on A.B. 491, and opening the hearing on Assembly Bill 365.

Assembly Bill 365: Revises provisions relating to renewal of licenses, permits, certificates and registrations issued by the Real Estate Division of the Department of Business and Industry. (BDR 54-1291)

We are waiting for Ms. Womack, the sponsor of the bill. We will proceed with the testimony of the other witnesses present, and take Ms. Womack's testimony when she arrives.

Jenny Welsh, representing the Nevada Association of Realtors:

We are in support of the bill. This bill will allow real estate licensees to renew their licenses online. Currently, a real estate licensee must go to one of two offices in the State to obtain renewals, which are required every two years. On average it takes a few hours to renew a license at the office in Las Vegas or Carson City. An online renewal procedure would reduce the amount of staff time necessary to process the renewal, and reduce the time required by the licensee to complete the process. It would be beneficial to both parties. Also, it would help reduce internal processing times for new licenses, which currently take about eight weeks to clear the Central Repository and the Real Estate Division. This would give the staff more time to deal with educational and licensing issues.

Assemblywoman RoseMary Womack, Assembly District No. 23:

As a realtor, myself, I have waited up to two hours in line every other year to renew my license. It would be a convenience for everyone to do the renewal online. We are not asking for a fiscal note. We are just asking to give the Real Estate Division the authority to do this, and to pass the cost on to the licensee.

Vice Chair Conklin:

Are there any questions?

Assemblywoman Gansert:

I do not see any parameters for the amount of the fee. It just says a fee can be set. There is no maximum. Do you know the amount of the fee?

Assemblywoman Womack:

It depends on whether the renewal is done by credit card or by check. If the fee is paid by credit card, the amount of the fee would be the transaction charge. If a check is used, the fee would be the amount of the electronic transfer charge by the licensee's bank. It will not be a standard fee.

Assemblyman Manendo:

In the beginning they will need funds to create the website. There will be some start-up costs.

Assemblywoman Womack:

This is not a process that is starting from scratch. The software for the program has already been purchased through the State of Oregon where they have these types of payment. The Real Estate Division is ready to go. They need just the statutory authority to proceed with the website creation and fee collection.

Assemblyman Parks:

In a previous session, the Legislature allocated funds to build the real estate website, and establish the accounting system for licensed real estate professionals. Those funds have already been expended. Renewal of real estate licenses online is part of the natural progression to offer more services. I wish to disclose that I am a real estate licensee. Since this bill will not affect me any differently than anyone else, I will be voting.

Assemblyman Settlemeyer:

I agree that having the license renewal process online will save money, but I question if there will be much of a fee associated with the process. Will the licensees be able to get a future rebate from the savings?

Vice Chair Conklin:

On lines 28 and 29, it states the fee will be equal to the actual cost of providing the service.

Assemblywoman Womack:

Gail Anderson will answer your question.

**Gail J. Anderson, Administrator, Real Estate Division, Division of Insurance,
Department of Business and Industry:**

We support this bill. All of our real estate licensing fees go into the General Fund. They do not come to the Division. Therefore, we do not have a mechanism to pay for the online transaction fees that would be charged. We receive an appropriation from the General Fund to run the Real Estate Division and its programs.

Assemblyman Settlemeyer:

By completing the licensing process online, there is a potential to save money because of the reduction of paperwork and clerical time to process the applications. If it does save money, it should be noted. The funds saved should be used to offset the fees to the licensee.

Gail Anderson:

The Division does not have a way to pay the charges that would be incurred without receiving spending authority.

Vice Chair Conklin:

Are there any more questions?

Gail Anderson:

I have submitted a proposed amendment ([Exhibit D](#)). If the Committee does agree with this proposed bill, the amendment would extend the online license renewals to our other license law chapters. They include NRS 645C for real estate appraisers, NRS 645D for home inspectors, NRS 116A for community managers, and NRS 119A for time-share sales agents. The procedure and fee application would be exactly the same as the one proposed in the bill for real estate agents.

Vice Chair Conklin:

Does anyone have any questions?

Teresa B. McKee, representing the Nevada Association of Realtors;

I am here to answer any questions you might have on this bill.

Vice Chair Conklin:

Are there any questions? Are there others wishing to testify in support of this bill? Is there anyone opposed or neutral on this bill? Seeing none, I am closing the hearing on A.B. 365, and opening the hearing on Assembly Bill 366.

Assembly Bill 366: Revises the provision requiring a qualified intermediary to notify the Real Estate Division of the Department of Business and

Industry of changes to the name, location or ownership of the intermediary. (BDR 54-845)

Assemblywoman RoseMary Womack, Assembly District No. 23:

This bill revises the regulation provisions for a Qualified Intermediary (QI). A QI is a broker who because of a federal 1031 tax deferred exchange is a third party to sales transactions. By law, the QI handles the funds transferred from the sales transaction to the purchase transaction of the new property. The federal law says, if the seller has control or receives proceeds from the sale of a property, he must pay the capital gains tax. If the third party or QI receives the money and the transaction to purchase happens within 180 days, a tax-deferred exchange has been made. This transaction meets the requirements of a property exchange, and all capital gains are deferred. The State of Nevada requires all QIs to be registered with the State. This bill will clean up the language in the law. The law currently says, if the QI leaves a company, or the ownership changes, or the place of business moves, this action must be reported to the Real Estate Division within a reasonable amount of time. The QIs may be responsible for holding thousands and often millions of dollars in their trust accounts.

This bill was proposed before the demise of the Southwest Exchange in Las Vegas. When the Southwest Exchange went out of business, many real estate transactions they held were left uncompleted at the time of closure. Instead of a reasonable amount of time, ten business days should be used as the time period for a QI to give notice in writing to the Real Estate Division of any change in status. If this provision is not adhered to, a penalty of suspension can be placed upon the QI until the requirements of notification have been met. This bill does not have a fiscal note.

Teresa McKee:

A QI can be a person or a company who holds exchange funds in a 1031 exchange transaction. Nevada is currently the only state that regulates QIs, and it is the only state that statutorily addresses QIs. The current provisions in the law for QI notification do not address the period of time allowed, or the penalty for failure to make that notification. Consumers need to be informed at all times of the location of the QI or the company holding their funds. This bill will offer an important consumer protection.

Vice Chair Conklin:

Are there any questions?

Gail Anderson:

The Real Estate Division supports this bill with the time requirement for notification for a change of address or status. It also supports the penalty for failure to comply with the provisions.

Vice Chair Conklin:

Does the Real Estate Division have the regulatory authority to place these provisions in regulations?

Gail Anderson:

There is a possibility that this could be done by regulation. However, most of our time-certain notifications are in the licensing law.

Vice Chair Conklin:

Are there any questions? Is there anyone else wishing to testify in support? Are there people opposed or wishing to speak from a neutral position? Seeing none, I am closing the hearing on A.B. 366, and opening the hearing on Assembly Bill 446.

Assembly Bill 446: Revises provisions governing the tracking of prescriptions for controlled substances. (BDR 54-928)

Assemblyman Moises (Mo) Denis, Assembly District No. 28:

This bill will provide assistance to people who are addicted to prescription drugs. It asks practitioners who write prescriptions for Type II, III, and IV controlled substances to check a database maintained by the Pharmacy Board. This bill will also ensure that access is made available to the practitioners.

I would like to share with you why I brought this bill forward. In an article entitled, *The Dark Side of Prescription Drugs* by Patti Geier she says, and I quote:

A great deal has been written about alcoholism and drug addiction over the last two decades. However, information regarding prescription drug abuse and addiction only seems to surface when someone famous has a problem and needs treatment or dies. Historically, prescription drug addiction has been the most underreported drug abuse problem in the nation. It is also the least understood. Addiction to and withdrawal from prescription drugs is more dangerous than other substances because of the insidious nature of these drugs.

This bill can be part of the solution to prescription drug addiction. It is not a perfect solution, but it is a start. I have asked Dottie Whitaker, a constituent from Las Vegas, to be here today to share her story with you. I also bring this bill forward because in my church duties, I have been working with a person who is addicted to prescription drugs. I have wondered many times what can be done to help solve this problem. Ultimately, the individual has to take responsibility for his own actions, but there are things we can do to help.

Dottie, Whitaker, Private Citizen, Las Vegas, Nevada:

My daughter, Tammy, died from a prescription pain pill overdose. She was 40 years old when she died. She became addicted at the age of 30 after a serious car accident. Once someone is addicted; he is always addicted. There is no cure. Six months before Tammy died, she was in another serious car accident. She went to a doctor who had no previous medical information on her prior conditions, and he prescribed narcotics for her. On the day Tammy died, the doctor prescribed 190 pain pills for her. To an addict, that is like being in a candy store. The doctor had access to a prescription monitoring report. If he had looked at that report, he would have seen there had been past prescription drug abuse. Many people become addicted while being treated for legitimate medical reasons. I hope you take the steps to start a program to help control prescription drug addiction.

Vice Chair Conklin:

Thank you for taking the time to share your story with us. We understand that it takes great courage to do so, and we are sorry for your loss. Are there any questions? Mr. Denis, there is a request for you to walk us through the bill. Can you do that for us?

Assemblyman Denis:

Yes, I can walk you through the bill. However, it would probably be better to let the doctors and the pharmacy people testify. They can also detail the amendment provisions for the Committee.

Lawrence P. Matheis, Executive Director, Nevada State Medical Association:

When Mr. Denis came to us, we agreed we would find a way to solve the problem of prescription drug abuse. We are suggesting that the existing Health & Human Services (HHS) Task Force for controlled substance and prescription drug abuse be involved. The HHS Task Force has tried to get the communication out to doctors that prescription drug abuse is going on. We have a proposed amendment ([Exhibit E](#)) that says a practitioner, before writing a patient prescription for a controlled substance, must obtain a patient utilization report. This is the report that is issued by the HHS Task Force. The report identifies the types of prescription drugs that are abused, the amount of

previously prescribed dosages, the number of prescriptions written, and the strength of the drugs. Essentially, it will send a "red flag" to the practitioner to determine if a prescription is appropriate. The utilization report is available on a patient for the previous year. It is a computerized program established by the Board of Pharmacy and the Investigation Division of the Department of Public Safety. The practitioner can review the utilization report to assess whether or not the prescription drug is medically necessary. The amendment also provides that the Pharmacy Board will give access to Internet information to all licensed practitioners. It will also report to the Legislature on the implementation of this section.

Vice Chair Conklin:

Mr. Denis, is this an acceptable amendment to your bill?

Assemblyman Denis:

Yes, it is.

Vice Chair Conklin:

Are there any questions?

Assemblyman Horne:

How would this bill and amendment stop doctors from prescribing massive doses of prescription drugs? If there is poor recordkeeping, the practitioner may not realize when looking at the records that a high amount of these drugs has been prescribed.

Lawrence Matheis:

This bill and amendment creates a different way of assessing a doctor's decision. If the doctor does not access the information to avoid prescribing controlled drugs to a person who is addicted to them, and a problem develops with the patient, the Board of Pharmacy will have that information. It will report the infraction to the Board of Medical Examiners. At that point the accountability is increased.

Assemblyman Horne:

Does the doctor have to obtain that report even if it is an established patient that the doctor is treating?

Lawrence Matheis:

Obtaining the utilization report will be for new patients.

Assemblyman Horne:

If it is an established patient and a doctor prescribes the drugs for appropriate medical reasons, there could still be a drug abuse problem.

Lawrence Matheis:

If an established patient has met the threshold for prescribed controlled drugs, the information will already be made available in the HHS Task Force utilization report. They will get in contact with the prescribing doctor. This bill and amendment will cover the situation in emergency rooms or urgent care centers where there is a new patient, and the doctor suspects the patient is "shopping" for drugs. The utilization report is an extra safeguard that doctors can access.

Assemblyman Mabey:

How long does it take to obtain the utilization report to review it? What if you are in an emergency room and need the information immediately?

Larry L. Pinson, Executive Secretary, State Board of Pharmacy:

Joanee Quirk is with me today. She is known around the country as the "queen of prescription monitoring programs." She is the nation's expert, so I would like her to answer that question.

Vice Chair Conklin:

Are there any other questions on Mr. Matheis's proposed amendment?

Assemblyman Christensen:

I have a question, but the witnesses here may answer it in their testimony. I will wait on asking it.

Vice Chair Conklin:

We will hear from the State Board of Pharmacy next.

Larry Pinson:

We are working on an automatic response system to answer physician's questions on drug use by a patient.

Joanee Quirk, Program Administrator, State Board of Pharmacy:

I am the program administrator for the controlled substance task force. Our current program has been available online with a secure website since August 2004. When a practitioner requests information online, it takes 10 to 20 minutes to report back to him. Currently, I am testing new software that will set up an automatic response to a practitioner's inquiry. This will allow the practitioner to receive an answer within 30 to 60 seconds depending on how much information is involved in the report.

Assemblyman Mabey:

What type of a report does the practitioner receive?

Joanee Quirk:

The practitioner puts in the patient's name, address, and birth date. The computer searches our database and retrieves the standard report information. It will list the drugs, the quantity, the drug strength, and the estimated number of days supply prescribed for the last twelve months. It will list all the doctors' and pharmacies' names. The report could show no prescriptions for the last 12 months or up to 150, which is not uncommon.

Assemblyman Mabey:

Can you get the information online and over the phone?

Joanee Quirk:

The report is not available by phone. It is only online.

Assemblyman Mabey:

What resources do physician's have who phone in from out of state?

Joanee Quirk:

A pharmacist can also ask for this information. If the prescription has been filled in Nevada, we will have a record of it whether or not it is written by an out-of-state doctor.

Assemblyman Christensen:

Does the entire infrastructure for this online resource already exist?

Joanee Quirk:

We have had everything in place since 1997. We are evolving our software on a yearly basis, and developing the automatic response system.

Assemblyman Christensen:

Are dentists and psychotherapists also required to access the utilization report if they are prescribing controlled substances? Is training provided for them, or is it part of their continuing education programs?

Lawrence Matheis:

Every practitioner who is licensed to prescribe controlled substances is required to review the report. Many of the people who routinely prescribe these drugs know about the program and access it regularly. Many other practitioners who only occasionally use the program are probably not fully aware of the information the report contains. The last paragraph in the amendment provides

the structure to make more practitioners aware of the program and its report. Everything proposed in the bill and the amendment is doable with what we have in place, and we will continue to build on that infrastructure.

Assemblyman Christensen:

Are there any other amendments to the bill? Has the amendment from the State Board of Pharmacy been agreed upon by all the parties?

Larry Pinson:

There are no other amendments, and all parties concurred on the amendment before you.

Assemblyman Mabey:

If the doctor does not believe the patient has a drug abuse issue, does the doctor still have to access this report?

Lawrence Matheis:

No, a doctor would not have to access the report.

Vice Chair Conklin:

Are there any questions? Mr. Denis, did you have any closing comments?

Assemblyman Denis:

This bill is a good start, and it will be a help in dealing with prescription drug abuse and addiction. The real solution has to rest with the individuals who are abusing drugs, but this is a tool we can use to help them.

Vice Chair Conklin:

Are there others in support of this bill?

Denise Selleck Davis, Executive Director, Nevada Osteopathic Medical Association:

When we originally received the bill, we had some concerns. We appreciate the amendment. It is a good tool for physicians to help them avoid prescribing controlled substances to drug-seeking patients. We are in support of the bill and the amendment.

Vice Chair Conklin:

Are there any questions?

Assemblyman Christensen:

Would this system pick up drug abuse being practiced by a person employed in a medical facility? They might be prescribing their own controlled substances using the physician's Drug Enforcement Administration (DEA) number.

Larry Pinson:

Our current system can track that type of prescription drug abuse. If we repeatedly see a DEA number from one physician, the system is "flagged," and we start an investigation.

Assemblyman Christensen:

How long has this information been available?

Larry Pinson:

This is our tenth year. We are the first in the nation to have this system.

Vice Chair Conklin:

Are there others in support of this bill?

Mary F. Lau, President and Chief Executive Officer, Retail Association of Nevada:

We are in support of this bill as amended. Through our pharmacy members, our organization is one of the major sources of information for the computer database on controlled substances. We also represent a hospital and several medical clinics.

Vice Chair Conklin:

Are there any questions? Does anyone else wish to testify in support? Is there anyone in opposition or wishing to testify from a neutral position? Seeing none, I am closing the hearing on A.B. 446.

[Chair Oceguela presided over the next portion of the hearing.]

Chair Oceguela:

Mr. Ohrenschall, how long will it take you to present your bill?

[Mr. Ohrenschall answered from the audience. He said about 15 minutes.]

I am opening the hearing on Assembly Bill 468.

Assembly Bill 468: Requires providers of health care to provide disclosure of certain financial interests when referring a patient to or recommending physical therapy to a patient. (BDR 54-1300)

Assemblyman James Ohrenschall, Assembly District No. 12:

I want to begin by telling you what this bill does, and then I will explain what the bill does not do. This bill requires a health care provider, who refers a patient to a specific physical therapy facility, in which that health care provider has a financial interest, to disclose that interest to the patient. The disclosure must be in writing, and it must be done in a conspicuous manner. Financial interest means any share in the ownership or profit from the facility at which physical therapy is provided. It also includes any form of compensation from a facility where the physical therapy is provided by prescription.

This bill does not prevent a doctor from having a financial interest in a physical therapy facility. It does not prohibit a doctor from making referrals of patients to such a facility. When a doctor or a group of doctors acquires financial interest in a physical therapy facility, it should not surprise us to see more and more of their patients getting referred to that particular facility. Some of those patients may have established relationships with other physical therapy facilities. They have the right to know that a referral to another facility might be based, at least in part, on a factor not directly related to their treatment, or to improving the quality of care they receive. This bill will give patients' information to make informed health care decisions. I will answer any questions.

Chair Ocegüera:

Are there any questions?

Parley Anderson, representing the Nevada Physical Therapy Association:

Although we did not introduce this bill to provide consumer protection, we strongly support it. The bill will increase patient awareness that physical therapy can exist for a profit motive. Also, it will support professional relationships between doctors and physical therapists based on expertise and respect, not profit. The bill will ensure that doctors use "quality of care" driven decisions to provide the best patient care, and it will help patients make informed decisions about their own care. Referral for profit has been associated with increased costs and over utilization of physical therapy services at the expense of the patient.

Chair Ocegüera:

Are there any questions?

Assemblyman Mabey:

Are physical therapists ever part of the orthopedic group, or are they always housed in separate facilities? Is it possible for a doctor to have a physical therapist who is his employee?

Parley Anderson:

There are physical therapists who work for doctors. This bill addresses doctor owned physical therapy clinics.

Assemblyman Mabey:

Would the doctor have to disclose that information on the prescription he writes for the patient's physical therapy?

Parley Anderson:

I am not sure that the bill refers to a physical therapist as an employee, but the doctor would disclose that there is a financial interest for him.

Chair Ocegüera:

Are there any other questions?

**Daryl Lawson, Faculty, School of Public Health and School of Medicine,
University of Nevada, Reno:**

I am in support of this bill. This bill will not ban the practice of doctor referrals to physical therapy clinics where they have a financial interest. However, the bill will provide financial disclosure to let consumers know if their doctor has a financial interest in the physical therapy facility he is referring his patient to. It will allow consumers to make a better choice. They could accept the care at the doctor's facility, or go to another one. It can help save money on medical care.

Assemblyman Christensen:

With this bill, what changes do you expect to see in doctors' physical therapy referrals?

Daryl Lawson:

When you are hurt, you look for the best possible practitioner to provide you with the best care. Physical therapy has always been a place you simply go because it is written on the prescription. If the prescription contains a statement saying you can go anywhere you want, you would look around for the best physical therapist available to treat you. Physical therapy facilities will be able to compete in the marketplace for patients.

Parley Anderson:

I ask patients how they decided to come to my physical therapy clinic. They say their doctor sent them. Most patients are not aware that they have a choice of where to go to receive their physical therapy.

Assemblyman Ohrenschall:

I concur with the other witnesses comments.

Chair Ocegüera:

Are there further questions? Are there others in support of this bill? Is there anyone opposed, or wishing to testify from a neutral position? Seeing none, I am closing the hearing on A.B. 468, and opening the hearing on Assembly Bill 383.

Assembly Bill 383: Requires the Labor Commissioner to include a link on his website to the Social Security Administration. (BDR 53-1053)

Assemblywoman Marilyn Kirkpatrick, Assembly District No. 1:

This bill addresses two problems. First, it is directed at businesses and individuals who have broken immigration laws. Second, it addresses the businesses and individuals who have exploited immigrants in our State. It is important to punish people who are not abiding by the laws. Section 1 of the bill requires the Department of Business and Industry to provide a link on its Internet website to the Social Security Administration. In the original drafting of the bill, the Labor Commission was the one designated to expand its duties by providing the website link. However, it was established that the better location for the information would be through the Department of Business and Industry. As I worked on the bill and continued to research background information, an amendment was developed ([Exhibit F](#)). The amendment will require the Nevada Tax Commission to conduct an investigation of businesses, licensed in Nevada, that violate federal immigration laws. The federal government can find an employer guilty of knowingly violating immigration laws. It will also empower the State to conduct an investigation on a business that is operating in Nevada after it has been cited with a final decision and order by the Attorney General of the United States. At that point, the Tax Commission will hold a hearing to determine whether action should be taken against the business for knowingly violating immigration laws. If the business is found guilty, this bill will authorize the revocation of its business license.

Section 6 of the bill addresses the problem of human trafficking and its victims. In 2004, Las Vegas Police found 207 girls forced into prostitution. Many of them came from Eastern Europe and Asia. The most recent news reports of human smuggling took place in Arizona. That is why I invited the Attorney General of Arizona to come here today to testify from his first-hand knowledge of the gravity of the situation. Victims of human trafficking are considered by their abductors to be cargo. They are considered to be "non-persons." Pets are treated better than these victims. Twenty-eight states have adopted legislation criminalizing human trafficking in their states. This bill will charge perpetrators

of human trafficking with a Category B felony. It is a serious crime. I would like to have the testimony of the Attorney General of Arizona presented next because he has first-hand knowledge of the human trafficking crimes being committed in his state.

Chair Ocegüera:

We appreciate and welcome your coming to Nevada to testify.

Terry Goddard, Attorney General, State of Arizona:

The reason I wanted to come to testify is we need your help. The bill is an important part of the fight our state has been involved in for a number of years. The border with Mexico has become more expansive than it used to be. It is no longer just a line in the dirt south of Arizona. It now encompasses a far greater territory, and Nevada is part of the human smuggling operations that we have been observing.

I want to give you an idea of the kind of people we are talking about. There was a perception that coyotes may be misguided, but they were still good Samaritans. They were people who were assisting immigrants to come to America in search of a job and a better life. The coyotes were facilitating the immigrants' travel across treacherous desert. They did that, but they are not good Samaritans. The coyotes are among the most violent, vicious, and organized criminals that we have ever encountered. Many of them are also involved in the business of drug smuggling. They have found that smuggling human beings was a less risky and more profitable business. Today, one of the consequences of stricter border enforcement is that illegal entry into the United States requires the assistance of a professional. An illegal immigrant needs a coyote to guide and organize his trip.

Last year, the federal government reported over 600,000 people in the Arizona sector were detained and sent back to Mexico. A rule of thumb is for every illegal person detained, three get through. That means approximately 1.5 million people illegally entered the United States on just the Arizona section of the border. It is an extraordinary tide of human beings. Each one of the illegals pays about \$2,000 for the trip. Therefore, the illegal movement of people across the border also creates a tide of money. In Arizona, we have found money transmitters. My office became involved in the human smuggling problem because we were investigating money laundering. We are using local statutes to curb the criminal coyote operations. We discovered that money transmitters were bringing in \$500 to \$600 million yearly into Arizona. Since we started enforcing our money laundering laws, that problem has nearly been eliminated. It indicates a lot of the money is generated from illegal activity.

In August, 2005, an anti-smuggling bill, similar to the one this Committee is considering, became effective in the State of Arizona. We have been enforcing the new law ever since, and it has resulted in the arrest of hundreds of people who are involved in human trafficking operations. We have found some interesting permutations of the business. The used car lots were facilitating the transportation of human beings for illegal purposes. We recently served subpoenas on six different travel agencies in Phoenix, Scottsdale, and Mesa. The travel agencies organized the movement of over 7,000 individuals. The people were kept in "drop" houses in Phoenix until an airline ticket was purchased for transportation out of Las Vegas.

At this point, Nevada became heavily involved in human trafficking. We now have documented evidence showing the number of airline tickets purchased, who issued the tickets, who received the tickets issued, and what were the purposes of the ticket purchases. There is a difference of opinion in Arizona as to whether the bill that passed our legislature applied to the coyotes, or to the people who were smuggled into the country. All but one of our county attorneys believe the intent of the bill and the bill's sponsor was to stigmatize and criminalize the act of human smuggling. The focus was on the "kingpins" who were responsible for the illegal businesses. One of our prosecutors is also charging the people smuggled into the United States with conspiracy to smuggle themselves. It is an ambiguity in the Arizona law. If they had to do it over again, the sponsors of the bill would have made the focus clearer. I would be happy to answer any questions.

Chair Ocegueda:

Are there any questions?

Assemblywoman Buckley:

Do you have any sense of where the smugglers are based? Are they based in all of the different states involved in human trafficking, or do they live in one state, but conduct operations in other states?

Terry Goddard:

I am not enough of an expert to fully answer that question, but the smugglers we deal with know no borders. They apparently move effortlessly between Mexico and the United States. State borders are a matter of no consequence to them. They are part of an international criminal organization, and they are highly regional. The states affected are: most of California, Arizona, New Mexico, Texas, and more recently Colorado, Nevada, and Utah. Since half of the border human smuggling traffic comes through Arizona, I assume that many of them are home-based in Arizona or Sonora, Mexico. When the money laundering operations were displaced from Arizona, we found that a small

amount of those operations moved to Nevada, but most of the criminal operations relocated to northern Mexico.

Assemblywoman Buckley:

Have you documented what harm the actions of the coyotes have caused?

Terry Goddard:

The coyotes have a standard procedure for moving thousands of people across the border. They bring them over and hold them hostage. Legally, there is a slight difference between kidnapping and human smuggling. The people are held until the coyotes get paid. That is where the money transmitter part of the business becomes so important. The coyotes need to be paid quickly, and they accept only cash. When the people are released, they move further across the United States. While the coyotes wait for their payment, they hold the people in "drop" houses, which are really prisons. They use residential houses, which have plywood covering all the windows, and armed guards on patrol around the property. Individuals occasionally escape from these houses. The coyotes have been known to assault the hostages to emphasize the urgency for immediate payment. If the coyotes are not paid, they will murder the people. We estimate that 50 percent of the murders in Phoenix are committed by coyotes or their agents, and the number is increasing. It is not uncommon for one group of smugglers to raid another group to steal the human cargo. We have also found instances of child prostitution and sexual assault in these "drop" houses.

Ironically, when President Vincente Fox of Mexico visited Phoenix about five years ago, there was a shoot-out on Interstate 10. Five members of a smuggling organization were killed, and five others were seriously wounded. This was part of a territorial dispute.

Assemblywoman Gansert:

Does the language proposed in this bill mirror the Arizona law?

Terry Goddard:

It is presented in a slightly different order, but it is similar to the language used in our legislation. The language in this bill is a little clearer. There was concern in Arizona not to stigmatize people who had brought their families with them when they were smuggled into this country. We had a definition for this group, but we do not have any legislative language to accompany the definition. You might still have the ambiguity I referred to earlier in this bill.

Assemblywoman Gansert:

Do you have repeat offenders?

Terry Goddard:

Since the effective date of our legislation was August 2005, we have not seen any repeat offenders at this point. We are still in our first round of prosecutions on Class IV felony charges. It is the same category of penalty as your bill.

Assemblyman Settlemeyer:

I would like to offer a friendly amendment. If the individual who is in prison for these crimes is not a United States citizen, upon release or parole they should be shipped back to their country of origin.

Assemblywoman Buckley:

That is a proposal that Justice Hardesty has been working on with the Governor and the prison system. As long as the incarcerated felon is non-violent, Nevada is already shipping illegal immigrants back to their country of origin. If these people are arrested again illegally entering this country, it becomes a federal offense. We may need some legislation to set up a special committee on pardons and paroles, or an oversight committee to look at additional releases.

Assemblyman Settlemeyer:

Since it is not in the law today, it would be appropriate to insert the language in any bill that relates to this criminal activity. Upon release, the ex-felons would be transported back to their country of origin.

Assemblywoman Buckley:

That is being done right now. They are on an immigration hold as soon as their time is up, and they are deported.

Assemblyman Mabey:

Are we going to address the Social Security issue? Can a business verify a prospective employee's Social Security number through the website this bill would establish?

Assemblywoman Kirkpatrick:

The website will provide the link. Our original website was cumbersome because it was a pilot program with the federal government. There is now a website where companies can register and obtain the Social Security information within four minutes. Initially, a company does have to register with the website, which takes about 20 minutes. After that, if a company chooses to be part of the program, the information is quickly retrieved.

Assemblyman Mabey:

If a prospective employee puts down a large amount of imaginary dependents, does the program "red flag" the information, or does the program just validate their Social Security number?

Assemblywoman Kirkpatrick:

The website safeguards a lot of things including identity theft. The website will say the person does not match the Social Security number provided.

Chair Ocegüera:

Are there other questions?

Assemblywoman Kirkpatrick:

The Attorney General of Nevada has some comments to make on this bill.

Catherine Cortez Masto, Attorney General, Office of the Attorney General:

I am in here to speak in support of A.B. 383, especially Sections 1-3. They have strong law enforcement in Arizona, so I do not want any of that criminal activity to "bleed" over into our State. We need strong laws and tools to allow law enforcement to do the same things that Arizona is doing to stop this human trafficking. We have been investigating how we can target these individuals and organizations and go after them. We have found that we do not have the tools in our statutes. The language in Sections 2 and 3 of this bill will allow us to target those individuals. You always hear about human trafficking problems in southern Nevada. We do know that in January 2007, the border patrol was at McCarran Airport in Las Vegas and picked up 217 illegal aliens. However, the problem is not just in southern Nevada. It is in all parts of our State. Not only is there human trafficking and prostitution, but there are other issues. There is exploitation of labor. My concern is the exploitation of these individuals. We need to be proactive, and we need the tools. The language in this bill will allow us to do the necessary enforcement. I will answer any questions.

Assemblywoman Buckley:

I have heard that there are issues involved with human trafficking in the strip club industry in Las Vegas. Have you or any your task force members seen anything related to this issue?

Catherine Cortez Masto:

The task force created in southern Nevada involves many law enforcement agencies that are looking at the trafficking problem. There is a problem with massage parlors, but it goes beyond that. With the enforcement going on in Arizona, we will have a bigger problem here. We need to ensure that we have the protections and laws in place to stop the criminal activity.

Assemblyman Christensen:

Are there any other significant areas or industries where human trafficking is occurring?

Catherine Cortez Masto:

I do not want to target any one industry. It is occurring in all industries. Wherever these criminals can get a foot in the door and make the money from human trafficking, they will be there. I hesitate to name any specific industry because there are legitimate businesses in all of them.

Assemblyman Christensen:

I was just trying to broaden my perspective.

Terry Goddard:

I can add something to that answer. We found in Arizona there is no doubt that a "bleed" off is occurring. Some illegals do find jobs in Arizona and Nevada, but that is not the major criminal activity that is going on. We are talking about trans-shipment. People are crossing the international border into our state, and then they are sent on to other states. For example, in our travel agency investigation, we found 1,000 one-way tickets paid by coyotes in cash for their human cargo to be shipped through Las Vegas to primarily destinations in the southern part of the country. Many illegals are agricultural workers. Some of them are semi-skilled or skilled workers. The volume of human trafficking is so huge that it is impossible to target any one industry where they are being employed. The chicken wholesale industry, hospitality, restaurant and construction industries are major employers of these people. If this legislation is passed by the Nevada Legislature, it will help Arizona to curtail or eliminate the nefarious trafficking in human beings.

Assemblywoman Gansert:

This question is for the Nevada Attorney General. If the coyotes are not involved in the transportation of human beings, do we have other statutes available to prosecute them on other charges?

Catherine Cortez Masto:

Yes, we have a forced labor statute in place that would apply. This bill is targeting those individuals who transport illegal aliens.

Assemblywoman Gansert:

Is forced labor a Category B felony? The sentencing on this bill seems light to me.

Catherine Cortez Masto:

The proposed sentencing is consistent with our existing statutes.

Chair Ocegueda:

Are there any questions? Ms. Kirkpatrick, would you like to continue with the witnesses in support of this bill?

Assemblywoman Kirkpatrick:

Yes, I would.

Chair Ocegueda:

I would like to thank both of the Attorneys General for being here today. Is there anyone wishing to speak in support of A.B. 383?

Terry Lesney, Captain, Las Vegas Metropolitan Police Department:

I am also the Bureau Commander for the Crimes Against Youth and Family task force, which oversees the southern Nevada human trafficking. I am in support of the bill, and can probably answer some of the questions that were posed earlier in the hearing. Human trafficking is modern-day slavery. Smuggling facilitates the operations of those individuals who engage in human trafficking. This bill is important because it will fill a gap in our system. Human trafficking occurs in all industries. It is prevalent in sex entertainment, forced prostitution, domestic service, agriculture, sweatshop factories, restaurants, construction, and hotel work. It is not just a southern Nevada problem. In Las Vegas, we see illegal brothels in family residential neighborhoods. A lot of the women in these brothels are trafficked into our State from Asia, Mexico, and European countries. We also have a problem with the massage industry. In northern Nevada, the illegals are employed in agriculture and construction. We support this bill because it will target those smugglers who bring these people across our borders and further victimize them. Smugglers are not nice people. They repeatedly sexually assault children; they deny people food and water; and they do not treat injuries caused in transporting these individuals in overcrowded vehicles.

Chair Ocegueda:

Are there any questions? How widespread is this problem in the metropolitan Las Vegas area?

Terry Lesney:

Nationally, there are about 20,000 individuals trafficked per year. Locally, we have seen at least 50 cases of human trafficking directly related to forced prostitution. The problem with human trafficking and smuggling is the victims

are so coerced and enslaved they are afraid to come forward and report these crimes. Finding the victims and rescuing them is extremely difficult.

Chair Oceguera:

Are there further questions?

Assemblyman Conklin:

Do you have statistics that you can project to reflect the estimated number of incidences in an area?

Terry Lesney:

I cannot tell you the number out there. I can tell you that in domestic trafficking with children, our vice detail has arrested about 207 individuals for pandering children. You can multiply that number by the number of adults in forced prostitution, the number of neighborhood brothels, and the number of massage parlors, and you will have some idea of the extent of this problem.

Chair Oceguera:

Are there others wishing to testify in favor? Is there anyone in opposition or wishing to speak from a neutral position?

Dino DiCianno, Executive Director, Department of Taxation:

I have a question on the language that addresses the administration duties of the Department of Taxation. The bill states "upon notification." Who is the designated party notifying us for a hearing to consider the revocation of a business license?

Brenda Erdoes, Committee Counsel:

There is a whole federal statute structure that works within this bill that you do not see actually written in the bill. The United States Attorney General prosecutes these cases. They have a website that puts out the decisions on cases that are heard. What is anticipated in this bill is the development of a mechanism to provide that information to the Department of Taxation. You would be hearing cases that had already been adjudicated by the United States Attorney General.

Dino DiCianno:

If it is determined that a retail business has been affiliated with this activity and their business license revoked, you also bring into question their sales tax permit. In other words, you would shut the business down. I will answer any questions.

Chair Ocegüera:

Are there any questions? I will have Mr. Ziegler and Ms. Erdoes work on whether or not these people can be charged with conspiracy to smuggle themselves. The bill is silent on that provision, and we will develop some language for it. I will accept a motion.

Assemblyman Horne:

On the question of conspiracy to smuggle themselves, these victims know they are illegally entering the country. Is that not conspiracy shared with the victim?

Assemblywoman Buckley:

We are talking about a Category B felony. We could increase the penalties, especially when a victim is injured or involved in some other serious incident. We need to make it clear that we are targeting the coyotes with this bill. The time has to fit the crime. We may want to look at the penalty structure that is already in place for involuntary servitude. It is a Category B felony if the victim suffers substantial bodily harm. The sentence would be imprisonment for a minimum of 7 years and a maximum of 20, and a fine of \$50,000. If there is no substantial bodily harm, the sentence is 5 to 20 years in prison. We can work with the Attorney General on recommendations for a staggered penalty schedule. The harshest penalty should be applied to the person who is doing the human smuggling and trafficking.

Assemblyman Horne:

For clarification, my question was not an attempt to charge the victim, but an attempt to match the definition of conspiracy with the people we are trying to target.

Assemblywoman Buckley:

We will have to fix both, and Legal will have to work on the language. The harshest penalties should be given to those people who are profiting from people's suffering.

Chair Ocegüera:

Are there any questions? Seeing none, I will accept a motion.

ASSEMBLYMAN CONKLIN MOVED TO AMEND AND DO PASS AS
AMENDED ASSEMBLY BILL 383.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

Is there any discussion?

Assemblywoman Gansert:

The motion is to Amend and Do Pass, and we will be including the items we just talked about. Is that correct?

Chair Ocegueda:

Yes. There is a motion by Mr. Conklin, seconded by Mr. Parks to Amend and Do Pass with the caveat that we are working on refining the penalty language. Is there any discussion? Seeing none, we will take the vote.

THE MOTION PASSED. (ASSEMBLYMAN ANDERSON WAS
ABSENT FOR THE VOTE.)

Ms. Kirkpatrick will take the bill to the Floor. When I was absent earlier in the hearing, several bills were heard. Mr. Conklin, could you detail those bills for us?

Assemblyman Conklin:

Assembly Bill 365 and A.B. 366 were sponsored by Ms. Womack. Neither of the bills received any opposition testimony. There was an amendment to A.B. 365 provided by the Real Estate Division.

Chair Ocegueda:

I will accept a motion on A.B. 365 to Amend and Do Pass.

ASSEMBLYMAN HORNE MOVED TO AMEND AND DO PASS AS
AMENDED ASSEMBLY BILL 365.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

Is there any discussion?

Assemblyman Arberry:

There was an additional fee in this bill. Is there going to be a cost for the new website?

Assemblyman Conklin:

We did dialogue that point. The fee is specific to cost only. It would not be an additional fee. The website has already been developed, so that cost would be significantly reduced or eliminated.

Assemblyman Parks:

Four years ago, this Legislature appropriated the funds to upgrade the website for the Real Estate Division.

Assemblywoman Gansert:

Last session, we removed a \$1.50 fee that the Department of Motor Vehicles was charging for their online service.

Assemblyman Settlemeyer:

There is not just one website in this bill. There will be an additional four with the amendment.

Assemblyman Conklin:

There are not different websites. The Division is listing four different types of real estate licenses. The Real Estate Division is trying to streamline the license renewal process for all licensees under their jurisdiction.

Chair Oceguera:

Is there further discussion?

Assemblywoman Allen:

The amendment uses the same language in the bill, but it makes the provisions applicable to property managers and the different licensees within the Real Estate Division.

Chair Oceguera:

Is there further discussion? Seeing none, I will take the vote.

THE MOTION PASSED. (ASSEMBLYMAN ANDERSON WAS
ABSENT FOR THE VOTE.)

Mr. Conklin, can you comment on A.B. 366 also sponsored by Ms. Womack?

Assemblyman Conklin:

There was no opposition to the bill. The Real Estate Division is trying to tighten the regulations for Qualified Intermediaries to give notification of changes in their status. I asked why this could not be done under regulation. Gail Anderson, the Division Administrator, indicated they would not be able to tighten the notification procedure enough in regulation. It needed to be in law because it was time specific.

Chair Oceguera:

I will accept a motion on A.B. 366.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS
ASSEMBLY BILL 366.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

Is there any discussion on the motion? Seeing none, I will take the vote.

THE MOTION PASSED. (ASSEMBLYMAN ANDERSON WAS
ABSENT FOR THE VOTE.)

Mr. Conklin, can you comment on the other bills that were previously heard?

Assemblyman Conklin:

Assembly Bill 446 on controlled substances was sponsored by Mr. Denis. A compromise amendment was presented. There were a lot of questions from the Committee, but those concerns were alleviated by Mr. Matheis's and the Board of Pharmacy's comments.

Chair Oceguela:

I will accept a motion to Amend and Do Pass.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO AMEND AND DO
PASS AS AMENDED ASSEMBLY BILL 446.

ASSEMBLYWOMAN ALLEN SECONDED THE MOTION.

Are there any questions on the motion? Seeing none, I will take the vote.

THE MOTION PASSED. (ASSEMBLYMAN ANDERSON WAS
ABSENT FOR THE VOTE.)

Mr. Conklin, can you comment on the other bills that were heard?

Assemblyman Conklin:

Assembly Bill 491 concerns the clinical education of students in a School of Nursing. I do not know if the Committee is comfortable with all the provisions in this bill. There was discussion and a number of questions on the amended version of the bill.

Chair Oceguela:

Does the bill need more work?

Assemblywoman Gansert:

There was a concern that a fee is required to receive the education. However, the testimony indicated it was for their hands-on clinical education rotation training. This bill would make that fingerprinting procedure a one-step process instead of having to do it multiple times.

Assemblyman Christensen:

Does that fee apply to page 3, line 21, for an application for a certificate of privilege to enroll in a course of clinical education?

Assemblywoman Gansert:

That is what I understood. The bill creates a new license, so students can complete their clinical education.

Chair Oceguera:

Mr. Conklin, who presented this bill?

Assemblyman Conklin:

The Board of Nursing presented this bill. Mr. Hillerby led the testimony. If there is a desire to Amend and Do Pass this bill, Section 2 of the amendment is incorrect. The presenters of the amendment wanted Section 2 as it currently stands to be in the bill draft. There are some typographical errors in Section 2.

Chair Oceguera:

Let us hold off on the vote on this bill. Mr. Hillerby, could you get answers to the Committee's questions, and quickly get the bill back to me. We will have the bill heard Friday if you can make the Committee comfortable with the language. [Mr. Hillerby answered in the affirmative from the audience.] How does A.B. 468 look to the Committee? There was no opposition to the bill. I will accept a motion.

ASSEMBLYMAN MANENDO MOVED TO DO PASS
ASSEMBLY BILL 468.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

Is there any discussion? Seeing none, I will take the vote.

THE MOTION PASSED. (ASSEMBLYMAN ANDERSON WAS
ABSENT FOR THE VOTE.)

Mr. Ohrenschall will take the bill to the Floor. I am opening the work session.

Dave Ziegler, Committee Policy Analyst:

I have distributed the Work Session Documents ([Exhibit G](#)). The first bill under consideration is Assembly Bill 53.

Assembly Bill 53: Makes various changes regarding licenses for and disciplinary action against administrators of facilities for long-term care. (BDR 54-570)

This bill was introduced by this Committee on behalf of the Nevada State Board of Examiners for administrators of facilities for long-term care. This bill addresses the licensing of these administrators, and it provides for the reinstatement of expired licenses. Also, it raises the amount of possible administrative fines to \$5,000 plus fees and costs. The bill will allow the Board to impose probation or conditions on a licensee and it will allow additional grounds for disciplinary action. Further, the bill allows the Board to continue action against a person with an expired or voluntarily surrendered license. On the day of the hearing, Mr. Clodt, a Board member, offered several amendments which are attached. During his testimony, he withdrew two of the amendments, which requested amending the definitions in NRS 654.026 and NRS 654.028. It leaves the amendment dealing with subpoena powers, and the last definition on the second page of the handout ([Exhibit G](#)).

Chair Oceguela:

Are there any questions?

Assemblyman Settlemeyer:

My question is on Section 2, page 3 of the bill. Is the \$5,000 in the amendment in addition to the \$5,000 here?

Chair Oceguela:

It is the penalty plus fees and costs.

Assemblyman Settlemeyer:

Do we collect fees and costs in addition to a penalty anywhere else in statutes? If you get pulled over and receive a speeding ticket, do you also have to pay the cop car's gas? These charges seem excessive.

Assemblywoman Kirkpatrick:

We are addressing a huge problem, and we need a hammer to get these people's attention. There are a lot of fees involved in the investigation. I have 41 of these facilities in my district. Many people are not going through the licensing process. When this is discovered, it is necessary to relocate the people who can no longer be in the home. It is an extremely expensive process.

I am in support of the \$5,000 plus fees and costs. We want these people to follow the law.

Assemblyman Settlemeyer:

Who determines what a reasonable fee is?

Assemblywoman Kirkpatrick:

The Board has criteria which they use to address this problem. There are some legitimate costs in relocating the people who are forced to leave their long-term care facility because it was not a licensed operation.

Assemblyman Settlemeyer:

If a person has a problem with the charges, can he have a review?

Assemblywoman Kirkpatrick:

There is an appeal process.

Assemblyman Horne:

I was going to comment on what Mr. Settlemeyer said. We have the same level of charges in other places in statute. If you get a speeding ticket, you have to pay the fine plus administrative costs. Those costs are fees. The penalty is for the illegal conduct. The fees are for everything else.

Assemblyman Christensen:

The amendment that was introduced and then withdrawn is not up for consideration.

Dave Ziegler:

The members of the Board who testified on the day of the hearing clarified with me that they did not need to change the definition in NRS 654.026, which is at the bottom of the first page of the attachment. They also did not need to change the definition in NRS 654.028 at the top of the second page. They wanted to retain the amendment for subpoena power, and they wanted the definition in NRS 654.031 changed.

Assemblyman Christensen:

When you refer to members, do you mean the members of the Assembly?

Dave Ziegler:

I meant the gentleman who testified from Las Vegas on the day of hearing. He was Terry Clodt, and he is a member of the Board of Examiners. The Vice President of the Board of Examiners was here in Carson City.

Assemblyman Christensen:

Is there an amendment? Since I have never seen an amendment introduced and then withdrawn, I am unfamiliar with this action.

Chair Oceguela:

They submitted an amendment, which they no longer want, so withdrawing it would be at the discretion of the Committee.

Assemblywoman Kirkpatrick:

One of the amendments was the definition change, but it was already being defined in another bill. The part about the patients was one of the amendments they required. That is my recollection of the testimony at the hearing.

Chair Oceguela:

I am reading the amendment aloud. Ms. Kirkpatrick, is that the correct amendment?

Assemblywoman Kirkpatrick:

Yes, that is correct.

Chair Oceguela:

Ms. Kirkpatrick, can you offer a motion?

ASSEMBLYWOMAN KIRKPATRICK MOVED TO AMEND AND DO
PASS AS AMENDED ASSEMBLY BILL 53 WITH THE FIRST
AMENDMENT RELATING TO NRS 449.

ASSEMBLYWOMAN ALLEN SECONDED THE MOTION.

Is there any discussion?

Assemblyman Settlemeyer:

I am still confused. I will reserve my right to change my vote on the Floor, but I will vote "yes" now. I will talk to Ms. Kirkpatrick later.

Chair Oceguela:

Is there further discussion? Seeing none, I will take the vote.

THE MOTION PASSED. (ASSEMBLYMEN ANDERSON AND PARKS
WERE ABSENT FOR THE VOTE.)

Ms. Kirkpatrick has volunteered to take the bill to the Floor. I am opening the hearing on Assembly Bill 279.

Assembly Bill 279: Requires the unused value of certain gift certificates to escheat to the State. (BDR 52-961)

Dave Ziegler:

This bill was introduced by Mr. Kihuen. It requires the unused value of certain gift certificates to escheat to the State. This bill addresses unclaimed property and deceptive trade practices. It provides that the unredeemed value of a gift certificate is presumed abandoned. It directs the Treasurer to hold the money in a separate State account. The funds will be earmarked for educational purposes. Also, the bill provides that a person engages in a deceptive trade practice if he does not print a conspicuous statement on a gift certificate that any value remaining upon expiration or after three years is presumed abandoned. On the day of the hearing, Mr. Kihuen offered an amendment. It is attached in your Work Session Documents ([Exhibit G](#)). It deletes the requirement for the statement to be printed on the gift certificate. There is a fresh amendment just handed out ([Exhibit H](#)).

Chair Ocegueda:

Mr. Kihuen, can you come to the witness table and explain the new amendment.

Assemblyman Ruben J. Kihuen, Assembly District No. 11:

The new amendment exempts gift cards that do not have expiration dates. It addresses the concerns expressed by Mr. Settelmeyer and other members of the Committee. The exemption makes the gift certificate usable forever. It also excludes gift cards that do not have any post-sale fees, which means they will not be reduced in value over time.

Chair Ocegueda:

That appears to be a well-thought out and negotiated process. It appears you have established some middle ground to make people comfortable with the bill.

Assemblyman Settelmeyer:

By offering this amendment, the sections of NRS 120A.230 that also deal with these issues will not apply. So clearly, any card that does not have an expiration date would not be absorbed into any other statute. I just want to make sure that will be the case.

Assemblyman Kihuen:

Yes, that is correct. My main intent is to make this bill more consumer-friendly, and this amendment will do that.

Assemblywoman Gansert:

I like this bill. The only issue I have is with the unused value being earmarked for educational purposes.

Assemblyman Conklin:

For clarification, the proposed amendment is in addition to the amendment in the mock-up.

Assemblyman Kihuen:

Yes, that is correct.

Chair Ocegüera:

Are there any other concerns? I will accept a motion.

ASSEMBLYWOMAN ALLEN MOVED TO AMEND AND DO PASS
AS AMENDED ASSEMBLY BILL 279 WITH BOTH OF
MR. KIHUEN'S AMENDMENTS.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

Is there any discussion? Seeing none, I will take the vote.

THE MOTION PASSED. (ASSEMBLYMEN ANDERSON AND PARKS
WERE ABSENT FOR THE VOTE. ASSEMBLYWOMAN GANSERT
VOTED NO.)

I am opening the hearing on Assembly Bill 478.

**Assembly Bill 478: Revises provisions governing loans and loan services.
(BDR 52-394)**

Dave Ziegler:

This bill amends NRS 604A, which the Legislature passed as Assembly Bill No. 384 of the 73rd Session. This bill was sponsored by Ms. Buckley. The new language defines high-interest loan, and replaces the term, "short-term" loan with the term "high-interest" loan in NRS 604A. It provides that the original term of a deferred deposit loan or a high-interest loan must not exceed 30 days. It increases the protection for members of the armed services. The bill clarifies that if a lender is making installment loans not subject to regulation under NRS 604A, then he is covered by NRS 675. Also, it makes both chapters of the NRS applicable to those who would try to evade their provisions. If a person received a license before July 2007 to issue installment loans, he should be licensed under NRS 604A. The license is deemed to be a

NRS 604A license, and it expires on December 31, 2007. There is an amendment ([Exhibit I](#)) that was handed out today.

Assemblywoman Buckley:

The amendment changes a few provisions. It clarifies the applicability that all loans, even if additional fees are added that charge more than 40 percent, are subject to NRS 604A. It clarifies the initial loan term, and that the provisions of the bill apply. Lenders are required to enter into re-payment plans before they assign or sell debts to debt collectors. It governs roll-over amounts in paragraphs 7 and 8. It clarifies provisions on title loans to ensure that the principal is being paid down during extension periods. There are some other technical changes. I worked with the people who support reasonable regulation of the industry. The high-interest lenders who were in opposition still oppose this bill with the amendments. In my opinion, they will not be satisfied unless they are allowed to charge anywhere from 300 to 900 percent interest for a prolonged period of time. I believe that practice is abusive, and I would never agree to support such a provision.

Chair Ocegüera:

Are there any questions, concerns, or comments? Seeing none, I will accept a motion.

ASSEMBLYMAN CONKLIN MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 478 WITH MS. BUCKLEY'S AMENDMENT.

ASSEMBLYMAN MANENDO SECONDED THE MOTION.

Is there any discussion? Seeing none, I will take the vote.

THE MOTION PASSED. (ASSEMBLYMEN ANDERSON AND PARKS WERE ABSENT FOR THE VOTE.)

Ms. Buckley will take the bill to the Floor. I am opening the hearing on Assembly Bill 496.

Assembly Bill 496: Makes various changes concerning workers' compensation. (BDR 53-897)

Dave Ziegler:

This bill addresses workers' compensation benefits, and it was introduced by this Committee. When an employer learns of an accident, the employee must submit to or ask to receive an examination to determine the extent of his injury.

This bill requires the employer to furnish the names of two or more physicians or chiropractors to the employee. The employer may not require the employee to select a particular physician or chiropractor. Also, the employer may not require the employee to disclose, or allow the disclosure of any information, on his physical condition that is not directly related to the injury.

This bill provides that a hearing officer must deem the failure of an insurer to respond to a written request for a written determination within 30 days to be acceptance of the claim. It also addresses occupational diseases. It requires an insurer to accept or deny responsibility for payment to a claimant by certified or registered mail. It makes the insurer responsible for determining and using the correct mailing address. Also, the bill provides that the requirements under which an occupational disease is deemed to arise out of or in the course of employment do not apply to certain claims. The claims are listed in your Work Session Documents. On April 9, 2007, the Committee received the proposed amendments, which are attached ([Exhibit G](#)).

Chair Ocegüera:

These amendments represent a compromise on all but one issue.

Rusty McAllister, representing the Professional Firefighters of Nevada:

That is correct. We met Monday and agreed to all the provisions that are before you, except one. The exception is under Section 2, subsection 3 (b). The part in question is the 30 day automatic acceptance of the claim. Since that time, we have met with the representatives of the insurance industry. They still do not want to agree to that provision in the bill, but they presented an alternative that is acceptable to us. The alternative would say, "all claims" not just the claims under NRS 617 for workers' compensation. On the initial acceptance or denial of the claim, the insurer would need to respond to the employee or the injured worker with a certificate of mailing. The certificate is available at the post office. That would provide some record that the claim was mailed. This provision has not been agreed to by all of the insurers. Currently, we have a tentative agreement to remove the provision in question from the bill if all of the insurers are willing to move forward with the alternative, which is the certificate of mailing.

Robert A. Ostrovsky, representing the Nevada Lenders Association:

Mr. McAllister's description of the agreement is correct. We offered a compromise on that section which the company I represent is agreeable to. The entire insurance industry has not had time to respond to the suggested alternative language. I have met with all of the members of labor and industry representatives about all the workers' compensation bills at the instruction of Speaker Buckley. We do not have much agreement on all the other bills that are

going to be heard by this Committee. It is difficult for the insurance industry to agree to one bill and not have resolution on all the bills.

Assemblyman Settlemeyer:

There was a lot of discussion about the address, and the feeling that the insurance company was not the proper entity to be responsible for maintaining the employee's current address. The responsibility should be with the employee. Has that problem been worked out?

Rusty McAllister:

We agreed on some new language that would say if an employee changes his address it would be the responsibility of the employee or the employer to contact the insurance company. The compromise on accepting this new language was that the address used on the initial acceptance or denial of the claim, which is the C-4 form, is the address that will be used, unless the insurer is notified in writing by the injured worker of a new address.

Assemblyman Settlemeyer:

So, there is agreement by all parties that the address issue is resolved.

Robert Ostrovsky:

Yes, that has been resolved. The statutory language would be left as it is now, and has been in the past. The insurer would use the address on the C-4 form, unless otherwise notified in writing by the employee.

Chair Ocegura:

Are there further questions? We will hold A.B. 496 at this point. I am opening the hearing on Assembly Bill 560.

Assembly Bill 560: Establishes requirements concerning agreements between debtors and third parties for assistance in the recovery of certain proceeds of a foreclosure sale. (BDR 3-502)

Dave Ziegler:

The Judiciary Committee introduced this bill on the behalf of the Attorney General. This bill establishes requirements for agreements between debtors and third parties for assistance in the recovery of proceeds of a foreclosure sale. It establishes that the third party will assist in the recovery of any balance of the proceeds of a foreclosure sale that are due the debtor. Such agreements must be in writing, and they must be signed and notarized by the debtor. The agreement may not be entered into less than 30 days after the foreclosure sale. The bill establishes that a fee of more than \$2,500 for such

third party services is presumed to be unreasonable. There were no amendments offered.

Chair Oceguela:

Are there any questions? I will accept a Do Pass motion.

ASSEMBLYMAN CONKLIN MOVED TO DO PASS
ASSEMBLY BILL 560.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

Is there any discussion? Seeing none, I will take the vote.

THE MOTION PASSED. (ASSEMBLYMEN ANDERSON AND PARKS
WERE ABSENT FOR THE VOTE.)

Mr. Christensen will take the bill to the Floor. I am opening the hearing on
Assembly Bill 329.

Assembly Bill 329: Requires adoption of regulations concerning nontraditional
mortgage loans and lending practices. (BDR 55-1044)

Dave Ziegler:

This bill requires the adoption of regulations concerning nontraditional mortgage loans and lending practices. It requires the Commissioner of Financial Institutions, with the cooperation of the Commissioner of Mortgage Lending, to adopt regulations on nontraditional mortgage loan products and practices. The regulations would apply to persons and institutions who make loans secured by liens on real property and who are required to be licensed as banks and related organizations, other financial institutions, mortgage brokers and agents, and mortgage bankers. The regulations must be substantially similar to the guidance published by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators. No amendments were offered.

Assemblyman Parks:

The bill is in order for approval. I have had communications with Scott Bice. Although he could not make this hearing today, he is in support of the bill.

Chair Oceguela:

Are there any comments? I will accept a motion.

ASSEMBLYMAN CONKLIN MOVED TO DO PASS
ASSEMBLY BILL 329.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

Is there any discussion? Seeing none, I will take the vote.

THE MOTION PASSED. (ASSEMBLYMAN ANDERSON WAS ABSENT FOR THE VOTE. ASSEMBLYMAN ARBERRY ABSTAINED FROM THE VOTE.)

I am closing the work session, and we will take a brief recess. I am calling the hearing back to order, and opening the hearing on Assembly Bill 532.

Assembly Bill 532: Prohibits certain fees to be charged to certain transactions involving a credit card or debit card. (BDR 52-1397)

Dylan Shaver, representing the Nevada Petroleum Marketers and Convenience Store Association:

This bill deals with commercial transactions that have interchange fees charged to businesses that accept credit card payments for goods and services. The interchange is about 1.5 to 3 percent on any credit card sale. Most consumers have never heard of this fee because it is directly assessed to the retailer. As a result, business costs increase. In 2005, nationwide retailers were charged \$30 billion by credit card companies and member banks for credit card interchange fees. This bill would prevent the interchange fee being charged to the tax portion of any sale. My witnesses here today are representatives of the petroleum market industry, and they will comment on the gasoline tax. However, their information also applies to sales taxes and other tax surcharges. I have submitted an article entitled *Hidden Credit Card Fees* ([Exhibit J](#)) about interchange fees that cost consumers billions each year. There is a pie chart showing the estimated components of interchange fees ([Exhibit K](#)), and an article entitled *Credit Card Interchange Fees Backgrounder* ([Exhibit L](#)) to provide the Committee with background information.

If a retailer's markup is 7 cents on a gallon of gas that costs \$2.65, the retailer will break-even on the sale because of the interchange fee charged. Retailers do not go into business to break-even or lose money on a sale. Thirty-five percent of the interchange fee is profit for the credit card companies and member banks. We are not saying that they do not have a right to earn a profit, but consumers filling up are being gouged on the price of gas through no fault of the retailer. They pass the interchange cost on to the customer through higher prices at the pump.

Chair Ocegüera:

Are there any questions?

Mike Cox, President, Allied Washoe Petroleum:

I own a local distributing company in Reno, and we have been in business since 1905. We strive to provide the best service with a competitive price. I also have a small convenience store, and loyal clientele. Every time a consumer goes to the gas pump he pays higher gas prices because of the hidden fees paid to credit card companies. This is true even though it does not cost the credit card companies any more money to process the transaction. ARCO does not take credit cards for this reason, and they pass the savings on to the consumer. My business takes credit cards as a convenience to our customers. However, we have to mark up the gas price 7 cents to cover the interchange fees. By reducing the credit card interchange fee, we can pass the savings on to the consumer.

Chair Ocegüera:

Are there any questions?

Assemblywoman Kirkpatrick:

Does the money charged for interchange fees by credit card companies and member banks stay in Nevada, or does it go to another state?

Mike Cox:

The money does not stay in Nevada.

Assemblywoman Kirkpatrick:

Is your profit based on the gallon volume of gas pumped, or is it based on the wholesale cost of your product?

Mike Cox:

Our prices are based on the price of the product we are buying when we purchase it.

Chair Ocegüera:

Are there further questions?

Steve Yarborough, Owner, Sierra Service Station Company:

I have four retail gas sites in Reno. I have submitted a copy of my actual profit and loss statement ([Exhibit M](#)) for the first two months of 2007. The gross profit before expenses on fuel for the four locations was \$73,000 on 433,174 gallons of gasoline. My sites have relatively low gas volume pumped, but we offer conventional full service. My margin of profit is a little higher

because we have labor costs involved because of the full service feature at my sites. My credit card interchange fee charges totaled \$24,000 for that same two month period. That averages 6 cents per gallon of gasoline sold to pay for credit card interchange fees. Not all of the gas sales are purchased with credit cards; some are purchased with cash and checks. The oil company proprietary card that we take does not charge the same interchange fee. Our industry is different from other industries because 53 cents of every gallon of gas goes for taxes. Before we turn a profit, we remit back to the various agencies the gas tax. We are paying the credit card interchange on those taxes. We have asked the credit card companies to consider our charges as a transaction-based fee instead of a percentage of sales. On a \$3.00 gallon of gas, 9 cents goes directly to the credit card companies. Our markup at most is 11 cents per gallon of gasoline on a self-serve island.

Chair Ocegüera:

Are there any questions? We appreciate your being so forthcoming with your financial information.

Assemblyman Horne:

Have you ever had any type of negotiations with the credit card companies to reduce the interchange fees that are charged, or are the agreements made using boiler-plate contracts?

Steve Yarborough:

The fees are negotiable with local institutions. I am a branded retailer with a major oil company, Union 76. I have to use their proprietary software, so they process the credit cards. The credit cards that are processed through the pumps are handled through Union 76, and that is a non-negotiable charge. That fee is close to 3 percent. On the credit cards I run outside of the pumping operations, I use a separate credit card machine to reduce some of those fees. Through that system I have negotiated a lower rate.

Assemblyman Settlemeyer:

You are probably making your profits elsewhere instead of just on the gasoline sales. How does the tax structure work? Is the tax charged on one amount, or is it charged on multiples of that amount? Are taxes charged on top of taxes?

Glenn Hibel, Chief Financial Officer, Allied Washoe Petroleum:

The taxes are based on each gallon of gasoline pumped. There is a federal tax of 24 cents per gallon. The same is true with state taxes. The amount is based on a per gallon charge. It is not a percent, and it is not accumulative. In California, there is a sales tax, so they have a different tax structure.

Assemblywoman Allen:

Is this bill going to affect only convenience stores, or would it apply to any merchant?

Dylan Shaver:

It will impact everyone who uses a credit card to buy something.

Assemblywoman Gansert:

What precludes the credit card companies from changing the rates they charge? Based on this bill, they may change their rates.

Dylan Shaver:

There is nothing that would preclude them from changing their rates. In other states, there are bills to cap the interchange fee. The interchange fees charged directly contribute to the higher cost of goods for everyone.

Chair Ocegüera:

Are there any questions? Are there others in support of A.B. 532? Is there any opposition to this bill?

Fred L. Hillerby, representing the State Board of Nursing and MasterCard Worldwide:

MasterCard Worldwide is in opposition to this bill. The term in the bill that refers to "interchanges" is only one small part of the merchant's discount fee that they pay for service. MasterCard is a trademarked, worldwide, electronic payment system. Banks issue the credit cards. There are different parties involved in processing each credit card transaction. There is an issuing bank, the merchant, and an acquirer or a merchant's bank. The acquirer is the organization that negotiates with the merchant to collect from the issuing bank the money that is due that merchant, and they pay the merchant. There is a cost for this service, which is part of the fee. The issuing bank does the credit check and provides the line of credit with the card. It guarantees the merchant if they go through this process they will get paid. The consumer is also protected from fraud because if it is detected, the consumer does not pay. When you swipe your credit card for a purchase, electronic notification, through the MasterCard system, goes to the bank the retail business contracts with to indicate a purchase is coming in. The transaction goes to the issuing bank that guarantees the line of credit. It then goes back to the issuing bank and the retail establishment where the card was issued within two seconds.

There is a fee charged by the issuing bank that takes the credit risk, completes the billing process, and ensures the merchant is paid. The merchant also pays a fee. It is usually 3 percent or less. Some businesses have negotiated their rate

to a lower level. All of these charges are part of the interchange fee being referred to in the prior testimony. Banks are offering a valuable service to merchants and consumers. If this law passes and our banks cannot charge against collecting the sales tax, the merchants will have to figure out how to break out the taxes. The taxes vary from county to county. The primary burden for implementing this law would be on the small businesses.

Chair Oceguera:

Mr. Hillerby, can you pause for a question?

Assemblywoman Kirkpatrick:

How were the funds collected before computers? What kinds of systems were issued? Can we go back to the old method?

Fred Hillerby:

I do not remember those days. We have been swiping the cards as long as I can recall. I will try to get you an answer.

Assemblywoman Kirkpatrick:

We used a metal machine. We sent the merchant number and all the other information for collection. By what process have we arrived at the computer trail instead of the paper trail?

Fred Hillerby:

Your statement points out the value of the service. The merchant had to take care of all the paperwork and send it to a central office, which did the actual billing to the consumer. The merchant had to bear the risk of a bad debt. With the system currently in place that risk is removed. The fee charged is for the total transaction process, and part of the fee is for the tax collection. We are collecting the taxes for the merchants, so they can turn part of their revenue over to the various taxing authorities. The merchants would have to stop taking credit cards to ensure the fee charged does not include their portion of their tax bill. Nevada merchants could accept credit cards for the amount of the sale price only and collect the tax themselves. This method would create enormous delays in the customer checkout line. It would also eliminate the convenience to consumers provided by merchants who take credit cards. When purchases are made, it is not unusual for sales tax to be included in the financing. Many merchants hire a check guarantee service to protect them against bad checks. MasterCard has just established a nationwide \$50 cap on interchange fees, but that is only on the part of the paid funds that we control. We have nothing to do with the amount the bank charges for providing the service. That is the bank's decision. We do not have anything to do with the interest rate charged to the cardholder.

Chair Ocegüera:

When you receive a credit card receipt for a purchase, most of the time the amount of tax is shown separately.

Fred Hillerby:

The MasterCard system does not see that receipt. All they receive is the total charge and that is what is processed. MasterCard pays the total charge. MasterCard did 19.1 billion transactions in 2005, which generated \$1.7 trillion in revenue.

William R. Uffelman, representing the Nevada Bankers Association:

I also represent the Electronic Payments Coalition. I have submitted a summary sheet ([Exhibit N](#)) that details how A.B. 532 will hurt merchants and consumers. Entering into a relationship with a credit card company is the choice a merchant makes. The merchant discount fee includes the interchange fee, and it is a cost of doing business. A merchant has the alternative of creating his own credit system. Then the merchant takes the risk that the customer may not show up at the end of the month to pay the bill. If the merchant decides to charge interest on the account, he has to make sure he is following all the laws.

As another alternative, a merchant could accept checks. Credit cards provide protection for the merchant because once the card is swiped, the merchant has all his money, and he pays the taxing authority. When the card is swiped, the system reads the amount of the purchase plus 7 percent, the amount of the tip if appropriate, the expiration date on the card, the last four digits of the account number, and the security code on the back of the card. If merchants have Visa or MasterCard credit card transactions, they are allowed to give discounts for cash payments. There is cost avoidance to the merchant for accepting credit card transactions. Cash transactions increase labor costs. The merchant fee for credit card transactions is inclusive of the interchange fee. The cost is offset by the transference of the risk of loss.

There are some other issues that need to be considered if this bill passes. One question would be whether national banks are preempted. The cost of operating the system for processing credit card transactions is built into the fee charged to the merchant. The average fee is 2 percent and depends on the volume of business the merchant transacts.

Assemblywoman Kirkpatrick:

In business, everyone has to make a profit to cover overhead costs. You have to work with the market. The merchant still has to file all the paperwork at the end of the quarter or the accounting period, whether it is for the Internal Revenue Service (IRS) or for state taxes. The credit card companies still have

to breakdown all their costs for their shareholders. Can you explain the cost breakdowns?

William Uffelman:

You are referring to the internal bookkeeping transactions. A merchant takes payment for the goods and services sold by accepting checks, cash, or credit card swipes. When the credit card is swiped, those funds are deposited in your merchant account at a bank. The money deposited is the total minus the merchant discount charge for servicing the transaction. If you get a check and it "bounces," your bank will charge your account a fee for the bad check. The merchant has to collect the money from the purchaser. If you cannot recover the funds, it is an inventory loss in addition to your other operating costs. All the card system sees is the amount of the total transaction. It does not see the individual components making up that amount.

Assemblywoman Kirkpatrick:

Eighty percent of a merchant's business comes from twenty percent of his customers. In my business I keep track of my good customers based on their purchases. The credit card companies must monitor the 80 percent of their business coming from 20 percent of their customers.

William Uffelman:

MasterCard and Visa do not pay the taxes on the transactions they process. The merchant transmits the tax payments. The merchant discount fee which is the transaction charge for accepting credit cards is calculated at different rates based on business volume. High volume producers do get a different negotiated rate. There is a monthly fee charge for just having the terminal in the business, so the credit cards can be used.

Chair Ocegüera:

Are there further questions?

Assemblyman Settlemeyer:

MasterCard is a privilege and a convenience so there is a charge for that service. What stops the gas station merchants from asking for a lower fee, or moving to another company?

Fred Hillerby:

There is nothing stopping them from doing that.

Assemblyman Horne:

One of the gas stations mentioned earlier was proprietary. They have to go through a designated company to process the credit card transaction. Gas

prices continue to escalate, but it does not cost the company processing the transaction any more money. Is that correct?

William Uffelman:

The cost of the transaction is not more because you are swiping a card. However, the guarantee that is built into the fee when it is approved assures the merchant that he will receive the money for the goods and services. If the card were stolen, fraudulent, or invalid, the merchant does not have to give back the money he collected. There is a percentage of all sales that are fraudulent transactions.

Assemblyman Horne:

So the merchant is sharing the risk.

William Uffelman:

The merchant discount insulates the merchant from the risk of loss.

Chair Oceguera:

Are there further questions?

Fred Hillerby:

The proponents of the bill are asking this Legislature to interfere in a business relationship. Were the topic different they would probably be saying you should not be involved in their business.

Chair Oceguera:

You are saying that the merchant can negotiate the discount fee, but that is unrealistic for an individual to do. You can shop around for a better rate, but it would be hard to do with MasterCard.

Fred Hillerby:

It is the banks that issue the cards and deal with the merchants.

Chair Oceguera:

Are there others in opposition to A.B. 532? Is there anyone wishing to speak from a neutral position? I am closing the hearing on A.B. 532. We have two more bills to consider in the work session, and Ms. Buckley has a bill to present. I am opening the work session, and we will go back to consider of A.B. 496. This is the workers' compensation bill that we heard testimony on earlier in this hearing. I will accept a motion.

ASSEMBLYWOMAN BUCKLEY MOVED TO AMEND AND DO PASS
AS AMENDED ASSEMBLY BILL 496.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

Is there any discussion?

Assemblywoman Gansert:

I want to reserve my right to vote "no" on the Floor because some of the language still seems to be in question.

Chair Oceguela:

The mock-up language and the language discussed by Mr. McAllister and Mr. Ostrovsky on the certificate of mailing would be included. Is there further discussion? Seeing none, I will take the vote.

THE MOTION PASSED. (ASSEMBLYMEN ANDERSON AND MABEY WERE ABSENT FOR THE VOTE.)

Mr. Manendo will take the bill to the Floor. I am opening the hearing of Assembly Bill 494.

Assembly Bill 494: Makes various changes relating to unemployment compensation. (BDR 53-1199)

Dave Ziegler:

This bill makes various changes related to unemployment compensation. It was sponsored by this Committee, and we heard it on Monday of this week. The bill excludes a lockout from the types of active labor disputes that disqualify a person from receiving unemployment benefits. On the day of the hearing Mr. Thompson and Mr. Myers offered the attached amendment ([Exhibit G](#)).

Chair Oceguela:

Is there any discussion?

Assemblyman Settlemeyer:

The amendment says, "These changes shall apply retroactively to all cases pending at any phase of administrative or judicial review upon date of enactment." This bill came about because they received a bad ruling. In Government Affairs, there was a lengthy discussion about legislation seeking to affect cases that are currently in the appellate judicial process. I do not think anything should be changed, so I am voting "no" on this bill.

Chair Oceguela:

We will hold action on this bill. I am opening the hearing on Assembly Bill 393.

Assembly Bill 393: Makes various changes relating to the repair of motor vehicles. (BDR 43-821)

Assemblywoman Barbara E. Buckley, Assembly District No. 8:

I am the primary sponsor of this bill. The subject of this bill is car repair. Currently, we have a dysfunctional regulatory system for car repair. There is nothing worse than going to an auto mechanic and being taken to the "cleaners." This repeatedly happens in this State. I have a video clip to present to the Committee. It is a seven minute Channel 8 investigative report video documenting a customer's experience at an auto repair shop in Las Vegas. [The video was shown.]

There are three types of auto repair garages. We have the ones that are consistently doing good work. There are garages that choose not to provide good service. We have garages where the employees make occasional mistakes, but no business can be expected to be 100 percent perfect. Then, there are the garages that "rip" people off. It is time the State examined its regulatory structure and gave better protection to our citizens. That is the intent behind this legislation. Currently, we have three agencies regulating automobile repair. They are the Department of Motor Vehicles (DMV), the Consumer Affairs Division, and the Bureau of Consumer Protection through the Attorney General's office. We have "too many cooks in the kitchen," and not enough is getting done because of that. The system needs to be streamlined. In my original bill, I proposed giving the regulatory control to one agency. Mendy Elliott, Administrator of the Consumer Affairs Division wanted to give them another chance to handle the regulation of the automobile repair industry. What I am presenting is a streamlined procedure. The Consumer Affairs Division has a new chief, and they need time to update their computer system. They still have a DOS computer-based system, and they cannot communicate between offices to share complaints. It takes them a long time to run data because their computer system is dysfunctional.

This bill requires the DMV to be the single entry point for consumer complaints. This plan recognizes their strong database computer system, which is operating well. When they receive a complaint, they will enter it into the database and determine what action should to be taken. The determination may be lack of regulatory compliance, and if that is the issue it will be handled by the DMV. If it is a deceptive trade practice, covered in NRS 597, the case will be referred to the Consumer Affairs Division. If the DMV keeps the complaint, it will do the investigation. It has the ability to fine in accordance with the regulatory structure. If the Consumer Affairs Division keeps the case, they will handle the investigation. They have agreed to work closely with the DMV and the Bureau of Consumer Protection. The Bureau of Consumer Protection will be authorized

to do stings. Both the DMV and the Consumer Affairs Division will alert the Attorney General's office of a possible problem with an auto repair business. If the case presents egregious or repetitive conduct, then the Bureau of Consumer Protection will review the material and determine if an investigatory sting should be conducted. If they do have a sting, they will manage that operation. Section 13 of the bill gives the Attorney General's office \$7,500 to assist in sting operations. Sting operations are an excellent regulatory tool. Using this type of sting protection, the State will be saved the cost of employing a hundred new people to monitor auto repair garages.

Section 22 will fix a perceived loophole in existing statute. In 2003, this Legislature passed Assembly Bill No. 325 of the 72nd Session mandating that any vehicle which is deemed a total loss has to have a salvage title. If the car is then rebuilt, the DMV issues a rebuilt title. However, the rebuilt title is not subject to the disclosure requirements that we adopted in that bill. The language in this section makes our original intent clear. It says any salvaged vehicle whether rebuilt or not must be identified to a potential buyer as being a vehicle that at one time was branded salvage. This is a consumer right to know provision.

This bill tries to balance the different agencies' competencies. It will improve and streamline the complaint process for consumers. Hopefully, it will prevent some of the "rip-offs" that are being perpetrated on the public. The owners of the auto body shops have expressed concern on two parts of the bill. They would have preferred having just one agency do the enforcing, and it might be better to have just one agency in control. Sometimes, when you are dealing with state government, you have to make improvements in incremental steps. It is hard to completely divest the Consumer Affairs Division of one of their core missions, but their computer system does not work. They are not ready to take on the additional responsibility. Another concern is bonding. Currently, we have an arcane provision in the law which says an auto shop owner can either post a bond or agree to binding arbitration. If you agree to binding arbitration and the company goes out of business, there is no consumer protection. It would be a \$5,000 bond, and it costs \$50 to \$100. We are not trying to burden the good businesses, but we have to protect the consumer from those businesses who are not so similarly inclined. Binding arbitration does not work from a regulatory point of view. The DMV and the other agencies thought we had to modernize our statutes. I will be happy to answer any questions.

Assemblyman Arberry:

You have made a strong point.

Assemblyman Settlemeyer:

Section 7 refers to an advance written agreement for the repairs. How does this bill change what is currently in the law?

Assemblywoman Buckley:

I will have Troy Dillard answer your question.

Troy Dillard, Administrator, Compliance Enforcement Division, Department of Motor Vehicles:

There really is no change. That is the system as it is designed today. Many shops have an advance form called a waiver. If you sign it at the front-end, most of the shops will give you a phone call to authorize any changes to the original agreement. If the customer fails to sign that waiver, regulation requires a written agreement before that work can be performed if the amount in question exceeds 20 percent or \$100 of the estimated cost.

Assemblyman Settlemeyer:

If this bill becomes law, a consumer would be required to sign a written waiver ahead of time. Is that correct?

Troy Dillard:

There is no requirement to sign a written waiver. That is a choice the consumer makes.

Assemblyman Settlemeyer:

Does that mean a customer cannot give an oral approval for the work unless it is within the 20 percent or \$100 more above the estimated cost of the repair? Raising that amount to \$500 would bring it into alignment with the fraud statutes and the Uniform Commercial Code (UCC).

Kathleen E. Delaney, Senior Deputy Attorney General, Bureau of Consumer Protection, Office of the Attorney General:

Section 7, and the subsequent sections you are referring to, seem to make the language sound like these are new provisions. In reality, the provisions are just being moved from NRS 597 to NRS 487. These are existing laws that have been in place for some time. Nothing is actually changing. There can be a written waiver at the time the repair is ordered. Later, if there is a reason for an increase in the original estimate, further approval can be oral. There is nothing in the law that prohibits the approval being made verbally. Simply stated, the statutes are being moved to the DMV section of the law because they have the biggest "hammer."

Assemblyman Christensen:

It was stated that the cost of the \$5,000 bond was \$50 to \$100. Is that a one-time cost or is it annual?

Assemblywoman Buckley:

It is an annual cost. There are a couple of other options available other than posting an annual bond. I will let Mr. Dillard answer that question.

Assemblyman Christensen:

In Section 12, subsection 2, line 11, the language refers to a "civil penalty of not more than \$500 for each offense."

Assemblywoman Buckley:

That language has been removed. There is a mock-up amendment ([Exhibit O](#)) that has been distributed.

Assemblyman Christensen:

What are the penalties for violation?

[Vice Chair Conklin presided over the next portion of the hearing.]

Troy Dillard:

The average cost for a \$5,000 bond is \$50 to \$150. Additional options include posting cash or placing a certificate of deposit with the DMV. A certificate of deposit continues to earn interest on those funds. The bill would remove the arbitration option, and leave the other three methods in the bill. It brings the garage industry into the same DMV regulatory scope that all the other automotive industries have under the DMV regulations. There is a due process clause under NRS 233B when a bond is involved and a claim is made on it. That is how all the other businesses that the DMV regulates are handled. Garages are the only sector outside those regulations. Putting the statutes into NRS 487 gives the DMV the ability to take administrative actions including fines up to \$2,500 for each violation of the law. In addition, we can issue a "cease and desist" notice without a financial penalty. Suspensions and revocation of their registrations can also be applied if the businesses are not performing up to a level that provides consumer protection. We can also bring criminal charges against a business. This is where the Bureau of Consumer Protection and the Consumer Affairs Division would come in. They can pursue judicial relief.

Kathleen Delaney:

The investigative report that you saw in the video did result in a civil lawsuit being filed against the garage. At that time, the penalty available was a \$5,000 per occurrence fine. We are seeking that in this ongoing civil case. The

penalty set forth in Section 19 of the proposed amendment is a \$10,000 administrative fine. That penalty would not be available to our office, but it could be used by the Consumer Affairs Division for curtailing deceptive trade practices. The Division does have the ability to negotiate that fine to some degree, if that action will result in consumer restitution and resolution in the best interests of all the parties.

Assemblyman Christensen:

How does the State get the word out to businesses that there are "teeth" in the new provisions governing automobile repair?

Assemblywoman Buckley:

We do that by strengthening our regulatory system. Having a single point of entry, the DMV would have the power to take their licenses. We would have a starting point for increasing enforcement of the regulations. Business does fear a regulatory power that has the authority to take away a business. The other improvement would be stings with the appropriation included in this bill for their operations. When the Attorney General's office sees a pattern and practice as reported by the Consumer Affairs Division or the DMV, it can prosecute the egregious cases, or the garage may be exonerated because the complaints were not legitimate. I have submitted a handout listing the ten top complaints made by consumers is 2003-2004 ([Exhibit P](#)). This bill will put more honesty back on the streets.

Vice Chair Conklin:

Mr. Dillard, did we cut you off in your testimony? Do you have additional comments?

Troy Dillard:

I have one additional comment. On page 21 of the mock-up amendment, Section 38, subsection 2, the Division of Consumer Affairs is charged with establishing a program to provide information to the public about the provisions covered in this bill. There is a fiscal note submitted by the DMV with the amendatory language. With the revisions, we anticipate a reduction in the amount of the fiscal note.

Vice Chair Conklin:

Is there any additional testimony?

Kathleen Delaney:

The Attorney General's office is dedicated to making this program work. We received a lot of press on the Channel 8 news story. That sting operation cost the Attorney General's office about \$2,000, which we hope to recoup when

this case is resolved. We had multiple locations where the sting operation was put into effect. The publicity generated from the passage of this bill and further stings will streamline our operations. Ms. Buckley submitted another amendment ([Exhibit Q](#)), which includes all the concerns expressed by the different parties. We support this bill. I will answer any questions.

Vice Chair Conklin:

Are there any questions? Is there anyone else wishing to testify in support?

James Campos, Commissioner, Consumer Affairs Division, Department of Business and Industry:

Mendy Elliott, Director of the Consumer Affairs Division, was unable to attend the hearing today, and apologizes for her absence. The Division's position on this bill is neutral. The Division is currently developing new operational initiatives to enhance past practices. They will increase agency-wide efficiencies and provide quality consumer protection. I would be happy to answer any questions.

[Chair Oceguela resumed the chair.]

Chair Oceguela:

Are there any questions?

James Campos:

If there are any technical questions about our operations, the Division's chief investigator is here to answer them.

Chair Oceguela:

Are there others in support of A.B. 393?

Michael D. Geeser, representing the American Automobile Association (AAA) Nevada:

As a member of the automotive repair industry in Nevada, we support this bill. We have a car care center in Henderson, and a network of approved auto repair shops throughout the State. This bill will take the auto repair industry to a higher standard and level of operations.

Chair Oceguela:

Are there any questions? Are there others wishing to testify?

Steve Yarborough, Owner, Sierra Service Station Company:

I am the Chairman of the Nevada Advisory Board that was commissioned by this Legislature last session to review issues concerning the automotive

industry. While we did not discuss the merits of this bill in our meetings, the concept was talked about with emphasis on who has the authority to investigate consumer complaints. This bill does a good job of addressing those concerns. Keeping the initial review within the DMV is what is currently done with the emission control program. The DMV is equipped to visit the sites with inspectors and certify that the businesses are properly licensed and registered. We already have the signs posted, which are required by this bill. In a previous session, the core of the regulations the industry falls under were thoroughly reviewed when the Consumer Bill of Rights was established. It contains the language in this bill that delineates the consumer's right to receive an estimate and to receive parts back. The signs posted also give the phone number to call if there is a complaint. The confusion in the past was caused by the difficulty in determining which agency would do the enforcing.

Personally, I am opposed to the removal of the arbitration language. When I have offered arbitration to my customers, their complaints have been more easily resolved.

Chair Ocegüera:

Under this bill, you could still do arbitration. Is that correct?

Steve Yarborough:

Yes, you can. This bill also requires a bond which creates a dual responsibility. If the consumer accepts the arbitration, but does not choose to abide by it, he still has the right to attach the bond. That means another complete administrative hearing process. The arbitrations I have been involved with have been a good vehicle for the consumer to get his side of the story heard and to listen to my side. It has worked well within the industry. We are currently bonded within the emission control program. This bond would be in addition to that one, so the industry would have multiple bonds. The other issue I have with the bill is changing the posted signs in places of business. The members of the state's gas and retailers' association voluntarily had all the signs printed for the industry. When a site is investigated, and there is no sign posted, the DMV notifies the business to contact us, and we will provide the sign. Changing the language on the signs and the requirements for posting would mean an additional expense for the industry. The DMV does not have enough investigators to go out and require the signs to be replaced by October 7, 2007. It would be less expensive for the customer to call the current phone number on the sign, and have those calls forwarded to the appropriate agency for enforcement.

Chair Ocegüera:

Are there any questions?

James Campos:

I thank Ms. Buckley for all her hard work in putting this bill together.

Chair Oceguela:

Are there others in favor of the bill? Is there anyone opposed?

Tracey A. Woods, Vice President of Government Affairs, Retail Association of Nevada:

I am reluctant to testify in opposition to this bill because we have worked with the staff. We prefer one agency to be in charge. This bill is a step in the right direction, but in the future, we would like to see the Consumer Affairs Division handle the regulatory operations themselves. We oppose the bond requirement in the bill. Binding arbitration does work, and we would like it to be retained in statute.

Assemblyman Christensen:

Why is your Association opposed to the bond requirement?

Tracey Woods:

The option is to have a \$5,000 certificate of deposit which would still earn interest, but it is a loss to the retailer if he wants to spend that money elsewhere in his business. It is also an annual requirement.

Assemblyman Christensen:

The annual fee is for the bond. Is that correct?

Tracey Woods:

Yes, the fee for the bond.

Assemblyman Christensen:

I can understand that concern.

Chair Oceguela:

Are there others in opposition? Is there anyone wishing to testify from a neutral position? Seeing none, I will accept a motion.

ASSEMBLYMAN CONKLIN MOVED TO AMEND AND DO PASS AS
AMENDED ASSEMBLY BILL 393.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

Is there any discussion?

Assemblyman Settlemeyer:

I wish to reserve my vote on the Floor as I have not had adequate time to review the amended bill.

Assemblywoman Buckley:

I checked with Mr. Dillard about retaining the existing phone number, and he is working on a solution. It might be more difficult in Las Vegas because the phone number is wired into the Consumer Affairs Division's switchboard. It may be possible to do in the rest of the State. With regard to the bonds, I am sorry that some good companies will have to pay the annual fee of \$50 to \$100 to get the bond. However, it is a requirement for all the other regulated industries that the DMV oversees. Companies can still do binding arbitration, but we are trying to solve the problem of those companies that agree to arbitration, then go out of business leaving the consumer with no resolution. A bond comes into effect only when a consumer sues and receives a judgment. Then he applies to the DMV to go through the hearing process to receive the bond proceeds as a settlement for the suit. That process happens much later in the process after the initial complaint is filed. We have to weigh and balance the laws and regulations we pass to try not to hurt those businesses which are doing a good job. Right now, in the automotive repair industry, we have a lot of businesses that are not being fair and honest with the consumers. The burden should not fall on the consumer who is already getting "ripped off" in the first place.

Chair Ocegüera:

Are there further comments? Seeing none, we will take the vote.

THE MOTION PASSED. (ASSEMBLYMEN ARBERRY, GANSERT
AND MABEY WERE ABSENT FOR THE VOTE.)

We have between 15 to 20 bills scheduled for the work session on Friday.

Assemblyman Christensen:

On Friday, will we be hearing any bills?

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Chair Ocegüera:

No, it is just a Work Session.

[The meeting was adjourned at 5:33 p.m.]

RESPECTFULLY SUBMITTED:

Judith Coolbaugh
Committee Secretary

APPROVED BY:

Assemblyman John Ocegüera, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Commerce and Labor

Date: April 11, 2007

Time of Meeting: 12:35 p.m.

| Bill | Exhibit | Witness / Agency | Description |
|---|---------|--|---------------------------|
| | A | | Agenda |
| | B | | Attendance Roster |
| AB 491 | C | Debra Scott, Nevada State Board of Nursing | Amendments |
| AB 365 | D | Gail Anderson, Real Estate Division | Amendment |
| AB 446 | E | Lawrence Matheis, Nevada State Medical Association | Amendment |
| AB 383 | F | Assemblywoman Kirkpatrick | Amendment |
| AB 53 AB 279 AB 329 AB 478 AB 494 AB 496 AB 560 | G | Dave Ziegler, Committee Policy Analyst | Work Session Documents |
| AB 279 | H | Assemblyman Kihuen | Amendment |
| AB 478 | I | Assemblywoman Buckley | Amendment |
| AB 532 | J | Dylan Shaver, Nevada Petroleum Marketers and Convenience Store Association | Article |
| AB 532 | K | Dylan Shaver, Nevada Petroleum Marketers and Convenience Store Association | Pie Chart |
| AB 532 | L | Dylan Shaver, Nevada Petroleum Marketers and Convenience Store Association | Article |
| AB 532 | M | Steve Yarborough, Sierra Service Station Company | Profit and Loss Statement |
| AB 532 | N | William Uffelman, Nevada Bankers Association | Summary |

| | | | |
|--------|---|-----------------------|------------------------|
| AB 393 | O | Assemblywoman Buckley | Amendment |
| AB 393 | P | Assemblywoman Buckley | List of Ten Complaints |
| AB 393 | Q | Assemblywoman Buckley | Additional Amendments |