

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

**Seventy-Fourth Session  
April 26, 2007**

The Committee on Ways and Means was called to order by Chairman Morse Arberry Jr. at 3:34 p.m., on Thursday, April 26, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 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/](http://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](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Morse Arberry Jr., Chair  
Assemblywoman Sheila Leslie, Vice Chair  
Assemblyman Mo Denis  
Assemblywoman Heidi S. Gansert  
Assemblyman Tom Grady  
Assemblyman Joseph Hogan  
Assemblyman John W. Marvel  
Assemblywoman Kathy McClain  
Assemblyman David R. Parks  
Assemblywoman Debbie Smith  
Assemblywoman Valerie E. Weber

**COMMITTEE MEMBERS EXCUSED:**

Assemblywoman Barbara E. Buckley  
Assemblyman Joseph P. (Joe) Hardy  
Assemblywoman Ellen Koivisto

**GUEST LEGISLATORS PRESENT:**

Assemblyman Jerry Claborn, Assembly District No. 19  
Assemblywoman Susan Gerhardt, Assembly District No. 29

**STAFF MEMBERS PRESENT:**

Mark W. Stevens, Assembly Fiscal Analyst  
Paul Townsend, Legislative Auditor  
Connie Davis, Committee Secretary  
Patricia Adams, Committee Assistant



**Assembly Bill 526 (1st Reprint): Revises provisions relating to community antenna television, cable television, video service, Internet service and other information technology. (BDR 58-1129)**

Chairman Arberry opened the hearing on A.B. 526 (R1).

Bob Ostrovsky, representing Cox Communications, identified himself for the record and testified in support of A.B. 526 (R1), a bill revising the provisions of statewide franchising of telecommunications video servicing. Mr. Ostrovsky advised the Committee that the Office of the Secretary of State would administer the licensing procedure, and a fiscal note was attached to the bill.

Scott Anderson, Deputy Secretary of State, Commercial Records, Office of the Secretary of State, testified that representatives of the Secretary of State and the telecommunications industry met to discuss the costs of administering the licensing procedure, which resulted in an agreement that costs would be recovered through a fee structure. Initially, it was proposed that the Office of the Secretary of State would bill franchisees for the total cost to implement the system. However, in a subsequent hearing, a \$25,000 filing fee plus \$1,000 for amended documents was established to be paid by all applicants for a statewide franchise. Mr. Anderson advised that the Office of the Secretary of State understood at that hearing that the telecommunications industry was supportive of the \$25,000 fee, which appeared to be a more reasonable fee structure than determining actual costs and billing applicants.

In response to questions Chairman Arberry asked regarding the fee, Mr. Anderson advised that the fee was similar to any other filing process in the Commercial Recordings Division and would be considered a General Fund revenue.

In response to Chairman Arberry who asked how much revenue the fee was anticipated to generate, Nicole Lamboley, Chief Deputy, Office of the Secretary of State, indicated the revenue would depend on the number of companies that entered the marketplace in any given year. Ms. Lamboley reported that after meeting with industry representatives, it was estimated there might be four companies considering a certificate of authority for the coming fiscal year. Ms. Lamboley advised that the fiscal note, before the Committee, was based on the initial draft of the bill, but since that time, the type of certificate of authority being sought by the industry was better understood, and the fiscal note had been reduced. Ms. Lamboley said the requested funding would cover the cost to enhance the filing system that the Office of the Secretary of State currently managed.

In response to Chairman Arberry who asked whether additional staff would be hired to administer the licensing procedure, Ms. Lamboley advised that additional positions were not required.

Mr. Ostrovsky projected that there would be two to four entrants in the first year that would pay a one-time fee of \$25,000. Although difficult to project future revenue, Mr. Ostrovsky indicated the licensing procedure would not generate a consistently large revenue flow. Additionally, Mr. Ostrovsky testified that the providers would pay the entire cost of initiating the program, and industry representatives wanted to ensure that the State did not incur any expenses.

In response to Assemblyman Grady who raised concerns regarding problems expressed by Churchill County officials, Mr. Ostrovsky advised that the industry's intent was that local governments that operated their own cable television systems would be exempt from paying the fee as they were exempt from paying other taxes or fees imposed by the State.

Chairman Arberry asked whether there was any further testimony in support of or in opposition to A.B. 526 (R1) and, there being none, declared the hearing closed.

**Assembly Bill 259 (1st Reprint): Revises provisions governing wildlife.  
(BDR 45-100)**

Chairman Arberry opened the hearing on Assembly Bill 259 (R1).

Assemblyman Jerry Claborn, representing District 19 in Las Vegas, appeared before the Committee to testify in support of A.B. 259 (R1), a bill that revised provisions governing wildlife.

Assemblyman Claborn reported that a Legislative Audit, issued on December 14, 2006, called for procedures to ensure that Nevada Department of Wildlife (NDOW) restricted funds were properly controlled.

Assemblyman Claborn distributed an amendment (Exhibit C) that included the following provisions:

- Deleted language that appropriated \$200,000 to the Nevada Department of Wildlife (NDOW) for predator control.
- Required the NDOW to provide a financial report to the Legislature setting forth the activity and the status of the Wildlife Obligated Reserve Account in the State General Fund, each subaccount within that account, and any other account or subaccount administered by the Department that was related to restricted funds.

Assemblyman Claborn asked for the Committee's favorable consideration of the bill requiring the NDOW to provide the financial reports to the Legislature.

Dr. Gerald Lent, a member of the public, testified in support of A.B. 259 (R1) and the amendment proposed by Assemblyman Claborn to require the NDOW to submit a financial report on the status of the Wildlife Obligated Reserve Account and for each subaccount within that account.

Chairman Arberry asked whether there was any further testimony in support of or in opposition to A.B. 259 (R1) and, there being none, declared the hearing closed.

**Assembly Bill 293 (1st Reprint): Makes an appropriation to the Legislative Fund for the Legislative Auditor to enter into a contract with a consultant to conduct a performance audit of agencies which provide child welfare services. (BDR S-706)**

Assemblywoman Susan Gerhardt, representing District 29 in Clark County, appeared before the Committee to testify in support of A.B. 293 (R1), a bill that appropriated funds for the Legislative Auditor to enter into a contract with a consultant to conduct an audit of agencies providing child welfare services. Assemblywoman Gerhardt advised that the "tragic deaths" of children in the

Child Welfare System led to the formation of the Clark County Blue Ribbon Panel for the Review of Child Deaths, chaired by former Supreme Court Justice Deborah Agosti. Assemblywoman Gerhardt served on the panel that included concerned citizens with diverse backgrounds in law enforcement, mental health, and the law.

Assemblywoman Gerhardt advised that the panel found widespread systemic problems with the state's child welfare agencies, which resulted in a number of recommendations, one of which was before the Committee in the form of A.B. 293 (R1). The bill was drafted in response to the identification of the panel's first priority, which was to closely monitor each county's child welfare agency to ensure action plans for improvement were being implemented.

The measure, before the Committee, appropriated \$400,000 from the State General Fund for the Legislative Auditor to contract with a qualified, independent consultant to conduct a performance audit of each county's child welfare agency. The bill required the consultant to perform random unannounced visits to the agencies during which the consultant would review the files of open and closed cases concerning abused or neglected children.

Assemblywoman Gerhardt reported that the Assembly Committee on Health and Human Services unanimously approved A.B. 293 (R1) and assured the members of the Committee on Ways and Means that the bill proposed a cost-effective method of providing an independent review of child welfare agencies through the Legislative Auditor.

Mike Willden, Director, Department of Health and Human Services, provided the Committee with a cost estimate to hire a consultant who would perform an audit of child welfare agencies ([Exhibit D](#)). The document projected the following cost information:

- 1,700 hours for a full-time consultant
- \$100 minimum hourly rate including overhead
- One week per month travel to Las Vegas to conduct unannounced visits
- \$178,950 total consultant costs for fiscal year 2008
- \$181,933 total consultant costs for fiscal year 2009

Assemblywoman Leslie advised that the Assembly Committee on Health and Human Services whose members included Assemblywoman Weber, Assemblywoman McClain, Assemblywoman Koivisto, and herself had extensively discussed the bill. After hearing compelling testimony regarding the problems in Clark County, Assemblywoman Leslie asked the Committee to consider A.B. 293 (R1) as an essential part of the child welfare reform packet.

Assemblywoman Gerhardt advised that a great deal of work remained to be done, which required the expertise of a consultant experienced in reviewing records and casework.

In response to Assemblyman Hogan who questioned whether the child welfare agencies had resolved the problems to a level that they were prepared for a performance audit, Mr. Willden advised that full corrective action had not yet been achieved. Additionally, Mr. Willden explained that the State had teams reviewing ongoing practices at Child Haven in Clark County and were continuing to find areas of concern.

Additionally, Mr. Willden told the Committee that the Clark County Department of Family Services had taken an aggressive approach to implementing

improvements by approving strategies identified as "Safe Futures" to improve the safety, permanence, and well-being of Clark County children and families at risk of child maltreatment. Mr. Willden advised that with new staff being phased in and The Executive Budget recommendation for additional state resources, he was optimistic that by the close of the current biennium the problems would be close to being resolved.

Chairman Arberry asked whether there was any further testimony in support of or in opposition to A.B. 293 (R1) and, there being none, declared the hearing closed

**Assembly Bill 305 (1st Reprint): Revises provisions relating to the protection of children. (BDR 17-871)**

Assemblywoman Sheila Leslie, representing Washoe County, District 27, appeared before the Committee on behalf of the Subcommittee to Oversee the Consultant to Study the Health, Safety, Welfare, and Civil and Other Rights of Children in the Care of Certain Governmental Entities or Private Facilities.

Testifying in support of A.B. 305 (R1), Assemblywoman Leslie recalled the 2002 Department of Justice civil rights investigation of the Nevada Youth Training Center (NYTC) in Elko after complaints were received regarding the treatment of youth at the facility. Assemblywoman Leslie reported that the complaints were substantiated, and after hearing testimony during the 2003 Legislative Session, a number of mental health and other treatment services were added to the NYTC program in Elko. Additionally, in 2005 the Legislature created the interim Subcommittee to Oversee the Consultant to Study the Health, Safety, Welfare, and Civil and Other Rights of Children in the Care of Certain Governmental Entities or Private Facilities. Assemblywoman Leslie chaired the Subcommittee, and the members included Assemblywoman Buckley, Assemblyman Anderson, Assemblyman Carpenter, Senator Townsend, and Senator Wiener.

The Subcommittee hired the Nevada Institute for Children, from the University of Nevada, Las Vegas (UNLV), on a consultant basis to study the policies, procedures, and protocols of facilities in which the court placed children and to review complaints and conduct site visits. However, Assemblywoman Leslie advised that the Subcommittee spent at least half of its time reviewing child welfare issues.

Assemblywoman Leslie explained that A.B. 305 (R1) would establish the Legislative Committee on Health, Welfare, Safety, and Protection of Children, similar to the former Legislative Committee on Children, Youth and Families that was established during the Clark County integration of child welfare services. Assemblywoman Leslie advised that the fiscal note outlined a cost of approximately \$280,000 to fund a committee with six legislators.

Assemblywoman Leslie also reported that A.B. 305 (R1) proposed that funding be provided to hire a child welfare specialist who would be placed in the Legislative Audit Division. Assemblywoman Leslie explained that placing the child welfare specialist in the Audit Division would not create a conflict of interest that might have resulted if the position had been placed in the Executive Branch. Assemblywoman Leslie testified that the \$125,000 yearly salary for a child welfare specialist would ensure the hiring of a "highly qualified individual" who would work under the direction of the new Legislative Committee on Health, Welfare, Safety, and Protection of Children and who would be responsible to the Legislature.

Paul Townsend, Legislative Auditor, Legislative Audit Division, Legislative Counsel Bureau, advised the Committee that he had worked with Assemblywoman Leslie and the interim Subcommittee to structure the child welfare specialist position to fit within the Audit Division structure. Mr. Townsend advised that the Audit Division auditors conducted performance audits and had the expertise to address issues with staff, review policies and procedures, establish criteria, and develop recommendations for improvement. Mr. Townsend indicated that he looked forward to incorporating the position within the Audit Division and to assisting the Legislature.

Assemblyman Grady disclosed that his son was a Juvenile Probation Officer in Humboldt County and had been hired by Fernando Serrano, Administrator, Division of Child and Family Services, Department of Health and Human Services.

Assemblywoman Leslie advised that the child welfare specialist would oversee all county detention centers, and although not many problems were seen at that level, some issues were raised in which the State and juvenile detention facilities were asked to work together to rectify.

Chairman Arberry asked whether there was any further testimony in support of or in opposition to A.B. 305 (R1).

Scott J. Shick, Chief Juvenile Probation Officer, Juvenile Probation Department, Douglas County, testified in support of A.B. 305 R(1) on behalf of the Nevada Association of Juvenile Justice Administrators (NAJJA) and Michael Pomi, Director of Juvenile Services for Washoe County.

Mr. Shick testified that NAJJA supported A.B. 305 (R1) and the intent to establish a comprehensive audit review process for private and governmental facilities that provided custody care for court-ordered children and youth. Mr. Shick indicated that passage of the legislation would provide a process for review of facilities that would ensure the health, safety, and welfare of children in court-ordered care. Additionally, Mr. Shick testified that the NAJJA supported the establishment of a child welfare specialist position.

Mr. Shick also reported that the NAJJA collaborated with the Legislature on the process during the "interim study on juvenile justice" and, during the 2007 Legislative Session, as the bill passed through the process. Mr. Shick expressed a willingness to continue to collaborate with the Legislature, the new child welfare specialist, and the Nevada Institute for Children's Research and Policy to develop the comprehensive protocols that monitored facilities providing care and services for court-ordered children.

In closing, Mr. Shick indicated that the NAJJA administrators, detention administrators, and institution administrators currently performed internal audits and had internal protocols they wanted to merge with state protocols to establish a comprehensive plan to monitor facilities serving court-ordered youth.

There being no additional testimony to come before the Committee, the Chairman declared the hearing on A.B. 305 (R1) closed.

**Assembly Bill 343 (1st Reprint): Revises provisions governing hunting and fishing licenses. (BDR 45-1285)**

Chairman Arberry opened the hearing on A.B. 343 (R1).



Assemblywoman Gansert, representing Washoe County, District 25, testified in support of A.B. 343 (R1), a bill that revised the residency requirements for persons 65 years of age or older from five years to six months to qualify for a discount on hunting and fishing licenses. Assemblywoman Gansert reported that until 1995, a senior citizen only had to reside in the state for six months to receive the discount, but legislation approved in 1995 changed the residency requirements to five years.

Assemblywoman Gansert reported that the Division of Wildlife advised that revenue from increased license sales would cancel out the losses projected in the original \$32,000 fiscal note for A.B. 343 (R1), making costs negligible. Additionally, Assemblywoman Gansert indicated that the current residency requirements encouraged senior citizens to either not obtain a license or to misrepresent the length of their residency.

Francis Piccinini, a member of the public representing senior citizens, advised the Committee that she encountered senior citizens who purchased fishing licenses on a daily basis through her work at a Reno sporting goods store. Ms. Piccinini defined the five-year residency requirement as troublesome and unfair noting that a child could move to Nevada and obtain a junior reduced-fee license in six months, but the child's grandfather could move to Nevada and wait five years. Ms. Piccinini asked for the Committee's favorable consideration of A.B. 343 (R1), which she pointed out did not adversely affect the State.

In response to questions Chairman Arberry asked regarding the residency requirements, Assemblywoman Gansert referenced a two-page memorandum ([Exhibit E](#)) that outlined a history of fishing and hunting licenses for senior citizens in Nevada. "In 1995, Assembly Bill 212 of the 68<sup>th</sup> Legislative Session added language to *Nevada Revised Statutes* 502.245 requiring senior citizens to be 65 years of age or older and reside in the state for five years to qualify for a reduced fee license." Assemblywoman Gansert advised that the original language in the bill, proposed by the Nevada Department of Wildlife, required a senior citizen to reside in Nevada for 25 years to qualify for a reduced-fee license. The language was later amended reducing the time to five years.

Assemblywoman Gansert pointed out that taking into consideration residency requirements for adoption was six months, divorce was six weeks, driver's license was thirty days, and higher-education tuition was one year, six months residency for senior citizens to obtain a fishing license at a reduced rate appeared to be reasonable.

Assemblywoman McClain expressed support for A.B. 343 (R1).

Assemblyman Grady indicated that although he had initially voted against the bill because of the fiscal note, he could not understand why a gun could be obtained immediately, but a five-year residency was required to obtain a fishing license at a discount.

Frank C. Page, a senior citizen, testified that time was a problem for older residents and, because it appeared the cost was negligible, asked for the Committee's favorable consideration of the bill.

Chris MacKenzie, Chairman, Nevada Wildlife Commission, testified that the Nevada Wildlife Commission voted in support of A.B. 343 (R1) and indicated they hoped passage would bring more of Nevada's senior citizens "out to the field."

Chairman Arberry asked whether there was any further testimony in support of or in opposition to A.B. 343 (R1) and, there being none, declared the hearing closed.

**Assembly Bill 531 (1st Reprint): Makes certain changes to provisions concerning the Private Investigator's Licensing Board. (BDR 54-513)**

Chairman Arberry opened the hearing on A.B. 531 (R1).

Mechele Ray, Executive Director, Private Investigators' Licensing Board, Office of the Attorney General, spoke in support of A.B. 531 (R1), a bill that removed the Attorney General's membership from the Private Investigators' Licensing Board and added another member to the Board who represented the general public. Ms. Ray informed the Committee that the Attorney General's role as Chairman of the Board presented a conflict because the Attorney General also represented the Board in legal matters. Additionally, Ms. Ray advised that the bill removed the Executive Director of the Board from the unclassified service of the State and required the Board to establish the compensation of the Executive Director. The bill also created the Fund for the Private Investigator's Licensing Board and provided that any money received by the Board would be deposited in the State Treasury for credit to the Fund.

Assemblyman Denis questioned the provision in Section 2 that required the Board to establish the compensation of the Executive Director.

Christine Guerri, Chief Deputy Attorney General, Office of the Attorney General, speaking from Las Vegas in support of the bill, advised that it was typical practice for licensing boards to control their own budgets and set the pay scales for their executive directors.

Assemblyman Parks explained that the Private Investigator's Licensing Board was the only Board whose Executive Director was in the unclassified service, and the amendment he presented in the Assembly Committee on Commerce and Labor enabled the Board to function in the same manner as all other boards and commissions.

Chairman Arberry asked whether there was any further testimony in support of or in opposition to A.B. 531 (R1) and, there being none, declared the hearing closed.

**Assembly Bill 573 (1st Reprint): Revises certain provisions governing wildlife. (BDR 45-1413)**

Chairman Arberry opened the hearing on A.B. 573 (R1).

Douglas Hunt, Deputy Director, Department of Wildlife, spoke in support of A.B. 573 (R1), a bill that revised certain provisions governing wildlife. Mr. Hunt testified that the bill required the Department to issue one-day fishing permits to groups of adults and children at a reduced rate, affectionately referred to as "take a kid fishing," which he said the Department was happy to accommodate. The one-day permits were expected to generate \$40,000 based on approximately 550 permits.

The fees for a one-day group-fishing permit for residents were \$8 for the primary adult, \$5 for each subsequent adult, and \$4 for each child. The fees



for a one-day group-fishing permit for nonresidents were \$17 for the primary adult, \$11 for each subsequent adult, and \$5 for each child.

Mr. Hunt reported that the second portion of the bill reduced the cost of a nonresident antlered elk tag from \$1,200 to \$500. With only ten applications for 120 nonresident cow elk tags in the previous year, Mr. Hunt said that lowering the cost to \$500 was expected to slightly increase revenue.

In response to a question from Chairman Arberry regarding the cost for residents, Mr. Hunt advised that residents paid \$120 for an elk tag.

Chairman Arberry asked whether there was any further testimony in support of or in opposition to A.B. 573 (R1) and, there being none, declared the hearing closed.

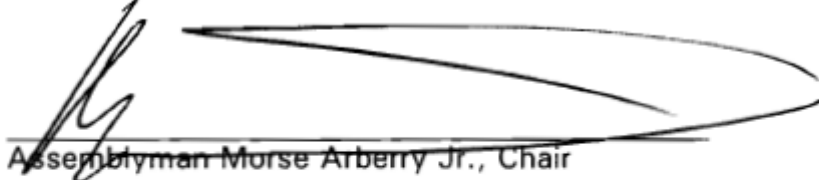
With no further testimony before the Committee, Chairman Arberry adjourned the hearing at 4:22 p.m.

RESPECTFULLY SUBMITTED:

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Connie Davis  
Committee Secretary

APPROVED BY:



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Assemblyman Morse Arberry Jr., Chair

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

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>April 26, 2007</u>		Time of Meeting: <u>3:34 p.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
AB259	C	Assemblyman Jerry Claborn	Amendment to A.B.259
AB293	D	Mike Willden, Director, Department of Health and Human Services	<i><u>AB 293</u> – Performance audit of agencies providing child welfare services cost estimate for performance audit consultant</i>
AB343	E	Assemblywoman Gansert	April 2, 2007 Memorandum re Residency Requirements