

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

**Seventy-Fourth Session
May 4, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 10:36 a.m., on Friday, May 4, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, 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 Morse Arberry Jr., Chair
Assemblywoman Sheila Leslie, Vice Chair
Assemblyman Moises Denis
Assemblywoman Heidi S. Gansert
Assemblyman Tom Grady
Assemblyman Joseph P. (Joe) Hardy
Assemblyman Joseph M. Hogan
Assemblywoman Ellen Koivisto
Assemblyman John W. Marvel
Assemblywoman Kathy A. McClain
Assemblyman David R. Parks
Assemblywoman Debbie Smith
Assemblywoman Valerie E. Weber

COMMITTEE MEMBERS EXCUSED:

Assemblywoman Barbara E. Buckley

GUEST LEGISLATORS PRESENT:

Assemblyman Bernie Anderson, Washoe County Assembly District No. 31
Assemblyman Marcus L. Conklin, Clark County Assembly District No. 37

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Barron Brooks, Committee Secretary
Patricia Adams, Committee Assistant



Chairman Arberry opened the hearing on Assembly Bill 93 (1st Reprint).

Assembly Bill 93 (1st Reprint): Provides exemptions from certain taxes for surviving spouses of members of the Nevada National Guard who are killed while on active service in full-time National Guard duty. (BDR 32-42)

Assemblyman Bernie Anderson, District No. 31, stated that he was distressed when he found out that the State of Nevada had done nothing for the families of members of the National Guard who had been killed in action. Mr. Anderson explained that he had served in the National Guard for seven years.

Assemblyman Anderson stated the bill gave the families an opportunity to exempt their home from property tax and their automobiles from the governmental services tax. There were currently two families that would qualify for the benefit.

Martha Barnes, Administrator, Central Services and Records Division, DMV, stated that the DMV had originally submitted a fiscal note on the bill but had decided it was not necessary and had removed it.

Assemblywoman McClain commented that the bill had passed out of the Taxation Committee unanimously and was being heard by the Ways and Means Committee only because of the original fiscal note.

Chairman Arberry closed the hearing on A.B. 93 (R1).

Chairman Arberry opened the hearing on Assembly Bill 150 (1st Reprint).

Assembly Bill 150 (1st Reprint): Makes various changes pertaining to methamphetamine and other controlled substances. (BDR 40-667)

Assemblyman Bernie Anderson, District No. 31, provided the following testimony:

Good afternoon Mr. Chairman. I am Assemblyman Bernie Anderson, representing Assembly District 31 (Sparks). I am before you to discuss the merits of Assembly Bill 150 (R1).

The issues involved in Assembly Bill 150 (R1) address some of Nevada's most serious and urgent concerns concerning methamphetamine. Assembly Bill 150 (R1) originally made pseudoephedrine-based medicines a prescription drug. However, as amended, this measure proposes to do the following six things:

1. Allows only pharmacies and non-pharmacy retailers that register with the State Board of Pharmacy to sell pseudoephedrine-based medicines. The companies that sell these products must report to the Department of Public Safety through a simple website the amount of product that comes into the store and the amount sold on a quarterly basis;
2. Requires the Office of Court administrator to apply for federal grants for drug courts;

3. Makes various changes pertaining to crimes related to the use or manufacturing of methamphetamine and other controlled substances;
4. Revises provisions pertaining to nuisances;
5. Makes various changes relating to lithium metal, sodium metal, and anhydrous ammonia; and
6. Provides for penalties.

Assembly Bill 150 (R1) was passed by Ms. Leslie's Health and Human Services Committee on April 11 and comes before you today because of a couple fiscal notes placed on the bill, the largest being from the Administrative Office of the Courts. Section 9, subsection 14 of A.B. 150 (R1) requires the court administrator to apply for any federal grants available for drug or alcohol specialty courts. Because of the financial impact the courts will feel due to this section, I would support amending this section out of the bill; however, I would hope that the court administrator would continue to apply for these grants as a normal course of business.

The second fiscal note is from the Department of Agriculture. Section 32 creates the Anhydrous Ammonia Additive Advisory Committee that will review scientific and economic data on nontoxic dyes or other additives for anhydrous ammonia that are submitted to the Department for certification. Anhydrous ammonia is a fertilizer and in some meth labs it is used as the key ingredient in the manufacture of meth. These additives greatly reduce the amount of meth produced in the process and are becoming a key tool in fighting the meth epidemic nationwide. The fiscal impact on the Department of Agriculture is minimal, and therefore I would like to keep this important provision in A.B. 150 (R1).

Thank you for your consideration of this bill.

Tom Clark, Meth Community Response Alliance, stated that the Alliance was a group of over 30 different public and private organizations that were working to fight the methamphetamine epidemic. He believed the bill provided new tools for law enforcement for tracking the sale of pseudoephedrine. The provisions that had required it to be a prescription had been removed from the bill, but the bill still provided new tools above and beyond what federal laws provided. The Alliance would like to see an anhydrous ammonia subcommittee created to identify a dye to be added to the fertilizer used to make methamphetamine. The dye would prevent the end product from being methamphetamine.

Chairman Arberry questioned the safety of the dye.

Mr. Clark replied that the dye would not be harmful to individuals.

Chairman Arberry questioned whether the meth labs would still be as explosive.

Mr. Clark responded that the labs would always be explosive because of the dangerous chemicals that were used during the process. The dye would eliminate one way of manufacturing methamphetamine.

Assemblywoman Leslie agreed with the amendment to take out the courts, and in regard to the second amendment, questioned the per diem money required for the advisory committee.

Assemblyman Anderson had hoped that the Department of Agriculture's personnel would not require the fiscal note, but that did not appear to be the case.

Assemblyman Hardy questioned if the dyes were Food and Drug Administration (FDA) approved.

Mr. Clark responded that the dyes were going through an approval process. The advisory committee would follow FDA regulations.

Assemblyman Anderson stated that the bill purposefully involved the Department of Agriculture to address potential health and safety issues.

Tracey Woods, Retail Association of Nevada, stated that the Association opposed the section of the bill requiring pharmacies to do both sales and purchase reports.

Chairman Arberry closed the hearing on A.B. 150 (R1).

Chairman Arberry opened the hearing on Assembly Bill 440 (1st Reprint).

Assembly Bill 440 (1st Reprint): Makes various changes concerning loans secured by a mortgage or other lien on residential real property. (BDR 52-879)

Assemblyman Marcus Conklin, District No. 37, referenced [Exhibit C](#), a mock-up of additional amendments to Assembly Bill 440 (R1). Mr. Conklin noted the mock-up was not as "clean" as he would have liked, and he needed to address a couple of issues. Sections 5.3 and 5.5 had been added to the bill. Section 5.3 was the licensing section for a broker and an agent. The words "be verified" had been stricken from line 26 and had been replaced by "is verified by the Commissioner and complies with the requirements of this chapter" on page 5, line 13. This would link the verification and the requirements. The same language needed to be added to Section 5.5, line 19, in between the words "application" and "complies."

Chairman Arberry questioned the fiscal note.

Assemblyman Conklin stated that the Attorney General had put a substantial fiscal note on the bill. He suggested removing the word "shall" on line 28, page 3 and replacing it with "may." Mr. Conklin assumed the fiscal note would be removed if this change were made.

Doug Walther, Senior Deputy Attorney General, stated that if the bill were amended to make the duties discretionary for the Attorney General, then the fiscal note would be reduced at the very least. Mr. Walther would consult with the Attorney General and inform staff.

Chairman Arberry closed the hearing on A.B. 440 (R1).

Chairman Arberry opened the hearing on Assembly Bill 328 (1st Reprint).

**Assembly Bill 328 (1st Reprint): Makes various changes relating to elections.
(BDR 24-1045)**

Assemblywoman Smith, stated that Assembly Bill 328 (R1) was an elections bill which had been "thoroughly vetted" in the policy committee [Assembly Committee on Elections, Procedures, Ethics, and Constitutional Amendments]. The bill provided that polling managers were appointed at the polling locations. There had been problems in the past when managers chosen ahead of time did not show up at the polling location, and as a result, the location was without management. The bill would also allow the Attorney General and district attorneys to investigate and prosecute violations of election laws.

Assemblywoman Smith explained that individuals 65 years of age or older or individuals with a disability would be able to receive absentee ballots for future elections. They would not have to apply for an absentee ballot each election. The county registrar would have the authority to verify a disability.

Assemblywoman Smith said that the bill addressed a couple of election issues in regard to criminal activity. A person who alters or destroys a voter registration form could be prosecuted. The bill would change the law to allow for prosecution only when an individual knowingly and willingly destroyed or altered a voter registration form. Section 10 of the bill provided that it was a category (b) felony to tamper with a voting machine or computer system in an attempt to alter the outcome of an election. The fiscal note on the bill had been reduced substantially, because the number of prosecuted cases would be very rare.

Gail Pratt, Citizen's Committee, Washoe County Democratic Party, stated that she had worked the last two election cycles and had encountered a couple of situations that would be addressed by the bill. She supported the provisions in regard to the absentee ballot issues and the deputizing of volunteers to perform managerial duties on election day. She urged the Committee's support of the bill.

Assemblywoman Gansert questioned Section 5, where it was stated that the clerk was not required to verify a disability. She said it was the policy committee's opinion to require verification.

Assemblywoman Smith stated that the wording could be changed by amendment.

Assemblyman Grady questioned how the fiscal note would affect individual counties.

Assemblywoman Smith responded that the fiscal note should not affect individual counties. There was no fiscal or policy concern of which she was aware.

Matt Griffin, Deputy Secretary of State, Elections, stated that the bill would not cause a fiscal impact on the counties. The fiscal note for the Secretary of State's office was approximately \$10,000 and would cover the additional amount of absentee ballots required to be mailed out. Without being able to know the exact numbers of individuals participating in the program, the Secretary of State's office was not be able to estimate the proper dollar amount for the fiscal note.

Vice Chairwoman Leslie questioned whether the cost of the additional absentee ballots could be absorbed by the Secretary of State's office's budget.

Mr. Griffin responded that the office would be able to absorb the cost.

Vice Chairwoman Leslie questioned whether the Attorney General's Office had removed its fiscal note.

Nicole Lamboley, Chief Deputy, Secretary of State, stated that the bill did not change the Attorney General's current role and did not require a fiscal note.

Vice Chairwoman Leslie closed the hearing on A.B. 328 (R1).

Chairman Arberry opened the hearing on Assembly Bill 146 (1st Reprint).

Assembly Bill 146 (1st Reprint): Requires the Department of Health and Human Services to establish a program to increase public awareness of health care information concerning the hospitals in this State. (BDR 40-687)

Assemblywoman Leslie introduced Exhibit D, technical amendments to Assembly Bill 146 (R1). The bill created a new program for hospital inpatient and outpatient costs and quality. President Bush had issued an Executive Order encouraging the program to be instituted nationwide. The program would help consumers in Nevada manage their health care dollars better. The bill would require the Department of Health and Human Services to maintain a cost-quality website.

Assemblywoman Leslie explained that the amendments had been worked on by a committee including healthcare coalitions, the hospital industry, members of the Health and Human Services Committee, and the Department of Health and Human Services.

Assemblywoman Leslie explained the following proposed technical amendments:

- **Section 3:** *Subsection 2(a) and (b)*—combine into one statement: "The program must include, without limitation, the collection, maintenance, and provision of the information available for inpatients and for outpatients by each hospital in this State, as reported in the forms submitted pursuant to NRS 449.485." *Subsection 2(e)*—had changes pending. *Subsection 2(f)*—add language that ensured that "other information" that the Department may add would be information that had a standard definition that was consistently applied and was reported at the time the information was added to the website.
- **Section 4:** *Subsection 1(b)(1)*—add complete formal name of Joint Commission on Accreditation of Healthcare Organizations. *Subsection 1(b)*—add a subsection 1(b)(4) to prioritize measures that report health outcomes, which may or may not correlate with the inpatient DRG's and outpatient surgical procedures posted on the website.
- **Section 5:** *Subsection 1*—remove following language declaring data format: "The Department shall collect and maintain all information that it receives from the hospitals in the State pursuant to Sections 3 and 4 of this act. Upon request, the Department shall make a summary of information available."

- **Section 6:** Add a new subsection 2(e) to provide a link on the Internet website to the Federal CMS website. Renumber subsections (e) and (f) to become subsections (f) and (g).
- **Section 7:** Remove the following sentence: "Such a contractor shall not release or publish or otherwise use any information made available to it pursuant to the contract except as required to carry out the provisions of sections 2 to 7, inclusive, of this act."
- **Section 11:** *Subsection 2*—amend to read as follows: "Each hospital in the State shall, on a monthly basis, report to the Department the billing information for all patients receiving services. Information shall be electronically submitted in a format determined by the Department." *Subsection 4*—remove the following language: "with 100 or more beds."
- **Section 15:** *Subsection 1*—amend to read as follows: "Each hospital in this State shall, for discharges on or after July 1, 2007, submit to the Department the information concerning inpatient data required pursuant to Sections 2 to 7, inclusive, of this act. The hospitals shall submit the required information for each month within 45 days after the last day of the month." *Subsection 3*—amend to read as follows: "Each hospital in this State shall, for services on or after January 1, 2008, submit to the Department the information concerning outpatient data required pursuant to Sections 2 to 7, inclusive, of this act. The hospitals shall submit the required information for each month within 45 days after the last day of the month. Add a new *Subsection 4* to add language as follows to allow the hospital outpatient data to delay posting if the State reports that the data is not accurate or not complete: "The Department shall, on or before December 1, 2008, report to the Legislative Committee on Health Care concerning the activities of the Department pursuant to this section. If the Department submits to the Legislative Committee on Health Care a report that the information collected pursuant to this Section is not ready for posting on the Internet because it is not accurate or complete, the Legislative Committee on Health Care may extend the deadline by which the information must be posted pursuant to subsection 4." Add a new *Subsection 5* as follows: "Except as otherwise provided in subsection 4, the Department shall, on January 1, 2009, begin posting the information received pursuant to this Section on the Internet website established pursuant to Section 6 of this act." Renumber current *Subsections 4 & 5*.
- **Section 16:** *Subsection 1*—amend to read as follows: "Each licensed ambulatory surgical center in this State, as defined by NRS 449.019, shall, for services on or after January 1, 2008, and on a monthly basis thereafter, begin submitting to the Department information required by the Department. The ambulatory surgical centers shall submit the required information for each month within 45 days after the last day of the month." *Subsection 2*—amend to read as follows: "The Department shall determine how best to collect and report the information submitted pursuant to this Section on the same website as the information required from the hospitals in this State pursuant to Sections 2 to 7, inclusive, of this act so that the information may be posted on the Internet website established pursuant to Section 6 of this act in a manner which allows a consumer to reasonably compare the charges imposed and the quality of services provided by the surgical centers for both the ambulatory surgery patients and the hospitals in this State." *Subsection 3*—amend to read as follows: "The Department shall, on or before December 1, 2008, report to the Legislative Committee on Health Care concerning the activities of the Department pursuant to this Section, including, without limitation, a report on whether the Department was able to accurately and adequately report the information submitted pursuant to this section. If the Department submits to the Legislative Committee on Health Care a

report that the information collected pursuant to this Section is not ready for posting on the Internet website because it is not accurate or complete, the Legislative Committee on Health Care may extend the deadline by which the information must be posted pursuant to *subsection 4*."

- Add new section to read as follows: "The Department may accept gifts, grants and donations of money from any source to carry out the provisions of this chapter."

Assemblywoman Leslie asked to hear what the fiscal note was from the Department.

Joseph Greenway, Director, Center for Health Information Analysis (CHIA), University of Nevada, Las Vegas (UNLV), stated that the fiscal note was \$273,704 for FY 2008 and \$272,173 for FY 2009. It would fund three positions. One of the positions would be split into two lower scale positions because the ambulatory surgery center requirements of the project had been added without increasing the fiscal note.

Michael Willden, Director, Department of Health and Human Services (DHHS), stated that the fiscal note that the Department had submitted was based on the hope that the Department would have technology improvement requests approved. The Department had submitted requests for two technology improvement projects and four positions to work on the data warehouse. The money committees closed the Health Division budget with the four positions contingent upon whether or not the technology improvement requests were approved. The technology improvement requests were not approved. The Department suggested that the fiscal note for Fiscal Year 2008 be approximately \$274,000, to fund the contract with CHIA. A management analyst position was asked for in Fiscal Year 2009. It had been suggested to remove the management analyst position. The Department was in the dilemma of not having the technology improvement request, but they still had to fund the CHIA contract. The Department had spent a significant amount of time speaking with CHIA, and without the technology improvement request, software would have to be purchased from the Florida.

In regard to the CHIA contract, Assemblywoman Leslie questioned whether there was any funding that could be redirected.

Charles Duarte, Administrator, Department of Health and Human Resources, Division of Health Care Financing and Policy, responded that the CHIA contract was a deliverables-based contract. If a deliverable was eliminated such as hospital cost containment utilization reports, all of the work and funding that went into the deliverable was lost.

Assemblywoman Leslie asked what UNLV charged the State for contracting with them.

Mr. Duarte replied that the indirect rate was 26 percent which was a standard rate. There would have to be a discussion with the Chancellor's office to negotiate that rate downward.

Assemblywoman Leslie mentioned a possible clause to allow CHIA to sell the data to the private sector and asked how realistic it was.

Mr. Willden responded that inpatient data was already collected by CHIA, and the Center was able to charge a fee for that information. Approximately \$20,000 to \$30,000 was received each year from the sale of that data.

Mr. Greenway stated there would be three new data sets. All of them would be valuable to insurance companies, researchers, and hospitals. Money received from those records could go directly back to the State or go to CHIA. The Center was not sure what data could be released and sold, but sales of data were possible in the future.

Assemblywoman Leslie questioned whether there would be additional personnel costs in the future.

Mr. Greenway believed that a position or two could be removed once the system was in place.

Marybel Batjer, Vice President, Public Policy & Communications, Harrah's Entertainment, stated that Harrah's has gone to a computer-based health program. In order to do that, a key element was educating employees. Other states had been successful developing similar programs and she hoped Nevada could be just as successful in providing good consumer choice, better health for its employees, and better choices for communities. Harrah's was spending approximately \$100 million in the current year on health care and was extremely supportive of the bill.

Russell Rowe, representing Boyd Gaming Corporation, testified in support of the bill. Boyd Gaming insured 11,000 individuals in Nevada and spent approximately \$60 million per year on health care costs. The bill would help the company manage those costs better.

Josh Griffin, representing MGM Mirage, testified in support of the bill. MGM Mirage was Nevada's largest employer with 55,000 Nevada employees. MGM Mirage insured over 175,000 Nevadans.

Bill Welch, President/CEO, Nevada Hospital Association (NHA), testified in support of the bill. Mr. Welch stated there was one issue remaining that needed to be worked out and he hoped to bring resolution to that soon. Mr. Welch added that the Hospital Association supported transparency. Last fall, the Association began to develop financial transparency and inpatient quality-measurement transparency. The Association was looking to achieve outpatient transparency. Financial transparency would be available through the Nevada Hospital Association website.

Ms. Bobbette Bond, Manager, Culinary Health Fund, Government & Community Affairs, testified in support of the bill. Approximately 40 percent of procedures done in the hospitals were outpatient, so the outpatient data would be very beneficial. It was important for the ambulatory surgery centers to remain included in the bill.

Assemblyman Hardy questioned whether the ambulatory surgery centers had been involved with discussions pertaining to the bill.

Ms. Bond responded that they hoped to be involved when the bill moved to the Senate.

Chairman Arberry closed the hearing on A.B. 146 (R1).

Chairman Arberry opened the hearing on Assembly Bill 141 (1st Reprint).

Assembly Bill 141 (1st Reprint): Makes various changes to provisions concerning vehicles and vehicle parts with altered or missing identification numbers or marks. (BDR 43-409)

Josh Martinez, representing the Las Vegas Metropolitan Police Department, stated that Assembly Bill 141 (R1) dealt with auto theft. Nevada was number one in the nation regarding auto theft. Auto thieves stripped vehicles for parts to sell to body shops. Body shops purchased these parts because they were cheaper than purchasing from the dealer. There was not a way of identifying stolen parts because identification numbers were removed. There was a statute that dealt with altering or removing vehicle identification numbers, but because parts did not have fixed placards, prosecutions could not be brought against offenders. The bill would allow individuals to be prosecuted for involvement with stolen parts. There were stickers, which if removed, left an identifiable footprint. The legislation would help Nevada from being the number one ranked state for car theft.

Troy Dillard, Administrator, Compliance Enforcement Division, Department of Motor Vehicles, stated that the fiscal note added two personnel to handle the responsibilities placed upon the Department under the bill. There was a decision unit in budget account 4740 to add staffing for other stolen vehicle-related issues. If that decision unit was approved, the two additional personnel would not be needed. There were other costs associated with the bill including vehicle identification number restore and maintenance tools, investigative travel, and specialized training, totaling \$10,833 in Fiscal Year 2008 and \$4,570 in Fiscal Year 2009.

Chairman Arberry closed the hearing on A.B. 141 (R1).

Chairman Arberry opened the hearing Senate Bill 190 (1st Reprint).

Senate Bill 190 (1st Reprint): Makes an appropriation to the State Public Works Board to design housing units at institutions within the Department of Corrections. (BDR S-1219)

Evan Dale, Deputy Manager, State Public Works Board, stated that the bill was a request to fund the first two months of a 12-month construction project that would deliver 960 beds to the Department of Corrections. The bill asks for the first two months to be funded in Fiscal Year 2007 at a cost of \$826,597. The remainder of the project would be funded in a 2007 Capitol Improvement Project request at a cost of \$29.3 million. The beds were to be delivered in the form of four pre-engineered units at three sites for the Department of Corrections. Because of overcrowding, the Department of Corrections considered the project an emergency and was asking for exemption from certain statutes to contract with a design and building contractor immediately upon passage of the bill. The plan was to execute the contract by May 18.

Assemblywoman Koivisto questioned why there were design costs involved.

Mr. Dale stated that the framing of the building was pre-engineered, but the exterior, interior, HVAC, and plumbing systems all needed to be designed.

Assemblyman Parks questioned where the facilities would be located and what they would be made of.

Mr. Dale responded that the three sites were the Southern Desert Correctional Center (2 units), Southern Nevada Women's Correctional Center (1 unit), and Northern Nevada Correctional Center (1 unit.) The metal framing was pre-engineered. Tilt-up walls, concrete masonry units, or metal siding were options for the exterior of the buildings. The Department was going to choose either tilt-up walls or concrete masonry units.

Mark Stevens, Assembly Fiscal Analyst, recommended the Committee take quick action on the bill.

Chairman Arberry closed the hearing on S.B. 190 (R1).

Chairman Arberry asked the Committee to consider Senate Bill (S.B.) 190 (R1).

ASSEMBLYMAN PARKS MOVED TO DO PASS AS AMENDED
S.B. 190.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED.

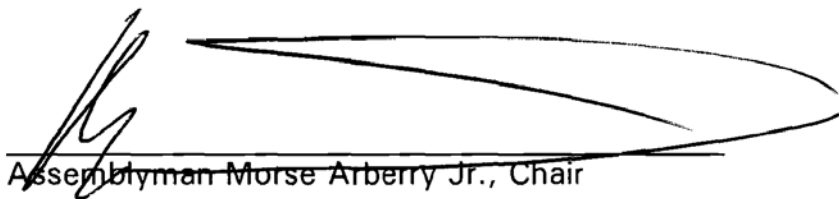
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Chairman Arberry adjourned the meeting at 11:56 a.m.

RESPECTFULLY SUBMITTED:

Barron Brooks
Committee Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>May 4, 2007</u>		Time of Meeting: <u>10:30 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 440	C	Assemblyman Conklin	Amendment 3905
A.B. 146	D	Assemblywoman Leslie	Technical Amendments