

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

**Seventy-Fourth Session
May 25, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 8:07 a.m., on Friday, May 25, 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
Assemblywoman Barbara E. Buckley
Assemblyman Mo Denis
Assemblywoman Heidi S. Gansert
Assemblyman Tom Grady
Assemblyman Joseph P. (Joe) Hardy
Assemblyman Joseph Hogan
Assemblywoman Ellen Koivisto
Assemblyman John W. Marvel
Assemblywoman Kathy McClain
Assemblyman David R. Parks
Assemblywoman Debbie Smith
Assemblywoman Valerie E. Weber

GUEST LEGISLATORS PRESENT:

Senator Stephen Horsford, Senate District No. 4

STAFF MEMBERS PRESENT:

Mark W. Stevens, Assembly Fiscal Analyst
Todd Myler, Committee Secretary
Patricia Adams, Committee Assistant



Chairman Arberry stated the Committee would consider the following bill:

Senate Bill 517 (1st Reprint): Requires that certain payments to the State of Nevada be made electronically. (BDR 31-633)

Chairman Arberry recognized Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division.

Mr. Stevens explained that he had some amended language ([Exhibit C](#)) for Senate Bill (S.B.) 517 (R1), which had been discussed by the Committee several times previously. He believed that the Committee needed to take action on the bill so the Assembly could do so as well. The bill was not exempt. Mr. Stevens said the Committee had the following options regarding this bill:

1. Let the bill die.
2. Pass the original version of the bill.
3. Pass the bill as currently amended.
4. Pass the bill with newly amended language.

Mr. Stevens noted there was not sufficient time available to continue to hold the bill. He said he highlighted the proposed amendments which involved debit and credit cards. Mr. Stevens explained that with the new language, the bill would require anyone who used a credit or debit card to pay the State amounts in excess of \$10,000 to be responsible for any transaction fee charged. Mr. Stevens was not sure whether an agreement with credit card companies to facilitate this was possible. He noted that if the Committee wished to adopt the new amendment, a decision had to be made so he could submit the language to the Legal Division.

Assemblyman Hardy noted that he had just spoken with the State Treasurer's staff that dealt with wire transfers. According to the Treasurer's staff, there was no mechanism in place to trigger charging the customer the fee. He said the fees would have to be charged retroactively, though there was no way currently to figure out who should have paid for wire transfer fees.

Mr. Stevens noted with this information from the Treasurer that the current amendment would have to be removed because it dealt with wire transfers.

Assemblyman Grady explained that when a person sent a wire transfer, the fee was charged to the customer by the financial institution sending the wire. He believed the new amendment would allow credit cards to be used, while the fee could still be charged to the customer. Mr. Grady stated that he had spoken with credit card companies, and he was told that on large transactions the credit card company and the State could enter into agreements to add the transaction fee to the amount charged. He believed the new amendment was simple and accomplished the designs of the Committee.

Assemblywoman McClain suggested passing the original bill.

Mr. Grady said it was necessary to pass the bill with the new proposed language.

Chairman Arberry asked why the new amendment was needed.

Mr. Grady explained that the new amendment would allow the State to accept credit cards for transactions over \$10,000 and charge the fee to whoever used the card.

Mr. Stevens asked whether the issue with electronic wire transfer was resolved.

Chairman Arberry noted that, according to Mr. Grady, wire transfer fees were collected by the financial institution initiating the transfer.

Dr. Hardy noted that the new amendment would involve the credit card companies and would allow for the collection of the fee. If the Treasurer's office had to collect it afterward, it would not be feasible.

ASSEMBLYWOMAN LESLIE MOVED THAT THE COMMITTEE
RESCIND ITS PREVIOUS ACTION AND AMEND AND DO PASS AS
AMENDED S.B. 517 (R1).

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYWOMAN SMITH WAS NOT
PRESENT FOR THE VOTE.)

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Chairman Arberry opened the hearing on Assembly Bill (A.B.) 622 and recognized Chris MacKenzie, Chairman of the Nevada Wildlife Commission.

Assembly Bill 622: Makes an appropriation to the Department of Wildlife for the conservation and restoration of fish and wildlife and their habitat. (BDR S-1442)

Mr. MacKenzie explained that the appropriation in this bill would ensure that federal matching funds were received for certain wildlife and habitat programs in Nevada. Mr. MacKenzie introduced David McNinch, Conservation Representative, State Board of Wildlife Commissioners.

Mr. McNinch stated the bill was intended to stabilize the State Wildlife Grants (SWG) Program administered through the Wildlife Diversity Bureau within the Department of Wildlife. The SWG Program was the nation's core program for keeping wildlife healthy and preventing wildlife from becoming endangered. Mr. McNinch noted listing efforts in the northern part of the State in regard to the sage grouse and efforts in the south with the desert tortoise. Nevada was ranked 11th in overall biological diversity and fifth in the number of species extinctions. Actions needed to be taken to protect and preserve wildlife species for future generations. Mr. McNinch explained A.B. 622 would provide the necessary state matching funds to maximize federal funds coming into Nevada now and into the future, so the Nevada Department of Wildlife (NDOW) could substantially increase wildlife conservation actions for fish and wildlife and their habitats.

Mr. McNinch explained that only 3 percent of NDOW's budget was made up of General Funds, and those General Funds were used to bring federal dollars into the State. One of the key programs supported by these dollars was the SWG program. Mr. McNinch explained that Nevada had been mandated by Congress to develop a Wildlife Action Plan in order to continue to receive federal funds through the SWG program. Nevada's plan was the result of a collaborative effort by biologists, sportsmen, conservation organizations, and the general public and was considered one of the best plans in the country. The funding match through the planning phase of the SWG program was 3:1 federal to State; however, as Nevada moved into the implementation phase of the plan, the State to federal match would be 1:1. It was critical that NDOW be able to

match the federal funds with state funds; otherwise, they risked reverting the federal funds. Mr. McNinch noted that just days ago, the House Interior Appropriations Subcommittee allocated \$85 million in fiscal year 2008 for the SWG program. The \$85 million would provide \$1.25 million in federal funds to Nevada, which would need to be matched with \$1.25 million in state funds. Assembly Bill 622 provided \$500,000 in General Funds each fiscal year which would supplement current General Funding of about \$750,000 to meet the state's matching requirement. Mr. McNinch explained that any General Funds not matched by the federal funds each fiscal year would be reverted to the General Fund. He concluded by saying the additional funds through the General Fund would be used to substantially increase on the ground conservation actions identified in Nevada's Wildlife Action Plan. The benefit would be a healthy and diverse wildlife population in Nevada. Early, preventative conservation was the smartest and most efficient way to address the challenges facing wildlife today. Mr. McNinch requested Committee support of A.B. 622.

Assemblyman Marvel questioned whether the bill had been discussed with the Governor when the Department's budget was being formulated.

Mr. MacKenzie responded that the bill had been discussed, but the Department had proceeded with a separate proposal, because the full amount of federal funding had not been known.

Assemblyman Marvel questioned whether there were reserve funds that could be used.

Mr. MacKenzie responded that there were not any General Funds in the diversity account required to be used to obtain federal matching funds. General Funds were required to be used for matching purposes, and reserve money could not be used.

Assemblyman Marvel questioned why other funding could not be used.

Mr. MacKenzie responded that it was his understanding Congress required state general funding to force states' participation in the projects.

In response to Assemblywoman Gansert, Mr. McNinch said the \$750,000 in the Department's budget would typically cover the Wildlife Grant Program matching dollars. Because the federal funding had been raised, the Department needed additional funding to meet the funding ratio. The new "gap" was approximately \$500,000.

Hazel Wong, representing the Nature Conservancy, explained that the Nature Conservancy was the largest conservation nongovernmental organization in the world and protected animal and plant diversity using a science-based approach. The Conservancy's science staff had worked with NDOW on the Wildlife Action Plan. Ms. Wong stated A.B. 622 was a sound investment which would benefit the public. Smart planning in addressing species of concern helped avoid conflict over endangered species which could hurt local economies and increase conflict between government agencies and local communities. Visitors were drawn to Nevada by its scenic wonders and outdoor recreation. It was estimated that \$600 million came into the State from outdoor recreation annually. She urged Committee support for the bill.

Assemblyman Parks questioned how the Wildlife Action Plan related to the "wildlife diversity element" in the Department's budget.

Mr. MacKenzie responded that \$180,000 dedicated to diversity funding had been taken out of the budget. That money could have gone toward the amount needed to obtain the federal funds. Any remaining amount from the appropriation in the bill would be reverted to the General Fund.

Joe Johnson, representing the Toiyabe Chapter of the Sierra Club, registered support for the bill.

Kyle Davis, Policy Director, Nevada Conservation League, registered support for the bill.

Karen L. Kish, President, Lahontan Audubon Society, stated there were 39 designated important areas in Nevada. The Audubon Society contributed to the state's action plan and strongly supported A.B. 622. Attention to species diversification and sound habitats was fundamental and inherently valuable to the State. The state's natural resources were critical to preserve. Ms. Kish strongly urged Committee support for the bill.

Gerry Lent, President, Nevada Hunters Association, stated that it would be a waste to leave federal funds unused. Mr. Lent emphasized "the safety valve" in the bill to revert unspent money to the General Fund and asked for the Committee's support.

Chairman Arberry closed the hearing on A.B. 622.

Chairman Arberry opened the hearing on Senate Bill (S.B.) 313 (1st Reprint).

Senate Bill 313 (1st Reprint): Authorizes the boards of trustees of school districts to adopt a policy relating to the enrollment of certain pupils in kindergarten in a public elementary school. (BDR 34-605)

Senator Steven Horsford, Senate District No. 4, stated much discussion had occurred during session on full-day kindergarten and providing greater local autonomy for districts and schools. He explained S.B. 313 (R1) addressed both of those policy considerations. Currently, school districts were not allowed to enroll a child whose birthday fell after September 30. The bill would give districts the discretion to develop a policy that would allow a child whose birthday fell between October 1 and December 31 to be considered for enrollment in kindergarten with additional criteria that would be set by the local school district. Mr. Horsford referenced Exhibit D, a document outlining similar policies in other states. At the request of the Nevada Association of School Boards, the bill had been amended. He did not believe the bill had a fiscal note, because it provided local discretion and was not a mandate. The bill had been reviewed by the Fiscal Division and had not been sent to the Senate Finance Committee based on the review.

Keith Rheault, PhD., Superintendent of Public Instruction, stated that each student was paid for over 13 years, regardless of when the student entered the school system. In the long term, the bill would be fiscally neutral; however, there could be an initial influx of new students. There would be a maximum of approximately 8,000 children that would potentially be eligible. Each school district would make their own decisions as to whether or not to allow the students to enter early.

Assemblywoman Leslie questioned what the initial fiscal impact could be.

Dr. Rheault replied that if 1,000 more children entered at a cost of \$6,000 apiece, it would cost approximately \$6 million. As the children enrolled, the cost would show up in the Distributive School Account. The ultimate cost would depend on how many school districts participated.

Dr. Dotty Merrill, representing the Nevada Association of School Boards, mentioned that the bill had been amended to authorize the school boards, rather than the principals, to make a decision on the policy. Dr. Merrill explained that school board members were concerned about the potential for situations to arise where one county would adopt the policy while a neighboring one would not. Requiring September 30 as the date for five-year-old entry into kindergarten ensured that children across the State were treated equally no matter their location or economic status. There would always be children born "just after" any established deadline. If the Legislature was interested in changing the date, the Association would like to be involved in the consideration. The Association feared certain parents might use the policy as a "childcare option" rather than an educational enhancement. The bill would complicate the goal of retaining smaller class sizes and providing an appropriate environment for learning. The Nevada Association of school boards opposed the bill.

Bryn Lapenta, representing the Washoe County School District, explained the bill was an important issue to parents who felt their children were ready for kindergarten. The school district was unsure how many parents would request admittance, but if it were a significant number, the bill would have a fiscal impact on the Washoe County School District. The district was already facing a capital construction funding crisis and would experience difficulty in accommodating additional students. Additional personnel would also need to be hired to administer testing for admittance. The Washoe County School District did not support the bill.

Joyce Haldeman, representing the Clark County School District, stated the District had concerns regarding the bill. The District anticipated a high number of parents would be interested in sending their children to kindergarten earlier, which could cause problems. At the current juncture, the District was focusing on providing all-day kindergarten for those children who needed it the most, rather than the children who were ahead of their peers. Ms. Haldeman anticipated the trustees would respond to the bill in one of two ways: they would extend the deadline for all students or require a kindergarten entrance exam. Ms. Haldeman suggested moving the deadline for all children; otherwise, the District favored the current policy.

Chairman Arberry closed the hearing on S.B. 313 (R1).

Chairman Arberry opened the hearing on Assembly Bill (A.B.) 623.

Assembly Bill 623: Makes an appropriation to Nevada Child Seekers for services on behalf of missing, abducted and runaway children. (BDR S-1507)

Stephanie Parker, Executive Director, Nevada Child Seekers, provided [Exhibit E](#), a packet of information on Nevada Child Seekers. She explained the organization addressed the plight of missing children in Nevada and primarily relied upon federal funding, which had ended in March 2007. The services provided included locating missing, abducted, and runaway children, abduction prevention education, emergency volunteer search force, child ID kits, and support groups. The organization served the State by using resources already existing in communities. The bill would provide funding assistance to allow

Nevada Child Seekers to continue providing services to families and law enforcement.

Chairman Arberry questioned what local funding the organization received.

Ms. Parker replied that the organization received \$7,000 in Justice Assistance Grant money. The Children's Trust Fund assisted the organization in their education outreach. Corporate entities had donated money, and the organization also held a number of fundraisers. Ms. Parker thanked the Committee for the opportunity to speak and noted that May 25 was National Missing Children's Day.

Chairman Arberry closed the hearing on A.B. 623.

Chairman Arberry stated the Committee would consider the following bills:

Assembly Bill 584: Makes various changes to provisions governing motor vehicles. (BDR 43-618)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, stated the bill related to the implementation of the Real ID Act. There had been concerns expressed with the bill. The bill had Real ID components but also included provisions to comply with the Motor Vehicle Carrier Act, which set limits for blood-alcohol content for commercial drivers. The bill also allowed the Department to establish fees for drivers' licenses for vehicles, motorcycles, and commercial vehicles. To address the concerns of the Committee, staff recommended deleting Sections 6, 7, 8, 12, and 17, which allowed the Department to set, by regulation, any number of fees. In addition, Sections 5, 16, and 41 allowed the Division to set the expiration date for drivers' licenses. There had been discussion that the Department may not go to a four-year renewal cycle if the Real ID Act had to be implemented. A provision could be included to allow the Division to set the expiration dates of the ID cards and drivers' licenses by regulation if required by the federal government.

Assemblywoman McClain questioned whether all the regulations in the bill, with the exception of the fees, could be triggered by the implementation of the Real ID Act.

Mr. Stevens replied that Sections 6, 7, 8, 12, and 17, which dealt with the fees, could be eliminated. The expiration dates could be triggered by the federal laws going into effect.

Assemblywoman Leslie stated the staff recommendations met her concerns.

Assemblywoman Gansert questioned whether there was a renewal period outlined in the Real ID Act.

Mr. Stevens responded that he was not aware of a set renewal period. He explained that the Committee could give the Department the expiration date flexibility only for the upcoming biennium. The regulations which would have to be adopted if the real ID act were enacted would have to come through the Legislative Commission.

In response to Assemblywoman McClain, Mr. Stevens replied that the staff could identify any section related to the Real ID Act and apply the same trigger found in Sections 5, 16, and 41.

ASSEMBLYWOMAN LESLIE MOTIONED TO AMEND AND DO PASS AS AMENDED A.B. 584 AS STAFF RECOMMENDED AND TO INCLUDE TRIGGERS FOR ALL SECTIONS RELATED TO THE REAL ID ACT.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYWOMAN BUCKLEY WAS NOT PRESENT FOR THE VOTE.)

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Assembly Bill 547: Revises provisions relating to the State Highway Fund. (BDR 35-1425)

Mr. Stevens explained that the bill would remove any appropriations related to the Real ID Act function from the 22 percent cap. Based on the budget closings, the Department of Motor Vehicles was approximately \$11 million underneath the cap. The proposed budget for the second year of the biennium for Real ID was approximately \$18 million, but the Subcommittee members had felt that number was too high. It may or may not be possible to "get by and still live within the 22 percent cap if the real ID Act were implemented." The way that the DMV budgets had been closed with direct access to the Highway Fund, it would not be required to hold a special session to implement the Real ID Act. If the Department could not stay under the 22 percent cap, a problem would arise. One possibility could be putting a sunset on the bill, and it would go away unless voted for again during the 2009 session. It would give the Department the flexibility to go over the cap if needed. If there were additional costs related to Real ID, the Department would have to go before the Interim Finance Committee for approval.

Assemblywoman McClain said she did not see any reason to go outside of the cap "to start putting money in a sinkhole."

In answer to Chairman Arberry, Mr. Stevens explained that depending on how the closings were reconciled, there was approximately \$11 million available that could be appropriated to Real ID costs from the Highway Fund. The Real ID budget from the DMV for the second year of the biennium totaled \$18 million.

Assemblywoman McClain stated that the "bare bones budget" submitted by the DMV was approximately \$8 million. She felt that there was sufficient funding under the cap.

Assembly Bill 186 (1st Reprint): Revises various provisions relating to economic and energy development. (BDR 58-784)

Assemblywoman Smith explained the bill pertained to solar energy issues. It had been determined that all of the sections except 11 and 14 could be deleted. The requirements to increase the capacity from 570 kilowatts to 2 megawatts and increase the installation of solar energy systems in schools would remain in the bill.

Assemblywoman Leslie stated that all of the Advisory Board language would be removed, and the language pertaining to solar energy systems in schools would be kept.

ASSEMBLYWOMAN SMITH MOVED TO AMEND AND DO PASS
A.B. 186 (R1).

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED.

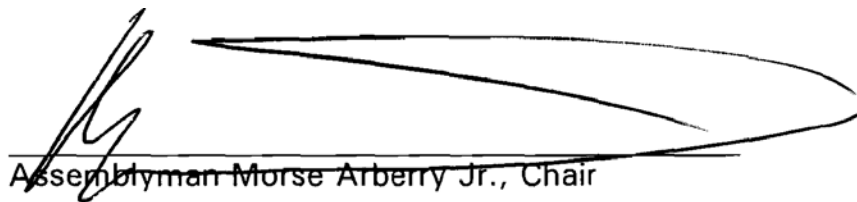
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Chairman Arberry adjourned the meeting at 9:40 a.m.

RESPECTFULLY SUBMITTED:

Barron Brooks (Transcriber)
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 25, 2007</u>		Time of Meeting: <u>8:07 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 517	C	Mark Stevens	Proposed amendment.
S.B. 313	D	Senator Horsford	Early Admission in other states.
A.B. 623	E	Stephanie Parker	Information on Nevada Child Seekers