

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session
May 14, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 4:18 p.m. on Monday, May 14, 2007, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator William J. Raggio, Chair
Senator Bob Beers, Vice Chair
Senator Dean A. Rhoads
Senator Bob Coffin
Senator Dina Titus
Senator Bernice Mathews

COMMITTEE MEMBERS ABSENT:

Senator Barbara K. Cegavske

GUEST LEGISLATORS PRESENT:

Senator Warren B. Hardy II, Clark County Senatorial District No. 12

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Melinda Martini, Policy Analyst
Larry L. Peri, Principal Deputy Fiscal Analyst
Cynthia Clampitt, Committee Secretary

OTHERS PRESENT:

Luana J. Ritch, Ph.D., Chief, Bureau of Health Planning and Statistics, Health Division, Department of Health and Human Services
Wayne Keele, Latter-Day Saints Family Services
Susan Fisher, Nevada Powersport Dealers Association
Brian Doyal, Pine Nut Mountain Trails Association
Paula Berkley, Nevada Responsible Trails Alliance
Ernest Adler, Reno-Sparks Indian Colony
Carrie Sandstedt, Nevada Responsible Trails Alliance
Clay Thomas, Deputy Director, Department of Motor Vehicles
Karen Boeger
Shirley Folkins-Roberts, Board Member, The Keaton Raphael Memorial
Robyn Raphael, Executive Director, The Keaton Raphael Memorial

CHAIR RAGGIO:

I hereby open the hearing on Senate Bill (S.B.) 67 (1st Reprint). This Committee is not concerned with the policy of the bill. Our primary interest is in the fiscal note presentations. We would like to hear an overview of each bill.

SENATE BILL 67 (1st Reprint): Provides for the establishment of a registry for putative fathers for purposes of facilitating the termination of parental rights and the adoption of certain children. (BDR 11-478)

LUANA J. RITCH, PH.D. (Chief, Bureau of Health Planning and Statistics, Health Division, Department of Health and Human Services):
I am present to discuss the fiscal note on S.B. 67.

CHAIR RAGGIO:
Who can provide the Committee an overview of the bill?

WAYNE KEELE (Latter-Day Saints Family Services):
We asked Senator Warren B. Hardy II to present this bill. It would terminate the parental rights of fathers who were unknown or who would not willingly sign off their parental rights. Previously, it has been necessary to terminate rights of fathers through a lengthy court process. The bill would condense that process.

CHAIR RAGGIO:
Please explain the establishment of a registry as specified in S.B. 67.

MR. KEELE:
The registry is established in cases when a birth mother decides to terminate her parental rights. The father would have a certain amount of time to apply to the registry claiming his rights to the child. If he did not do so within three days, the birth father's rights would automatically be terminated.

CHAIR RAGGIO:
Where is the registry established under this bill?

MR. KEELE:
The registry is established in the Health Division of the Department of Health and Human Services (HHS).

CHAIR RAGGIO:
Please study the purposes of the bill and fiscal note further and we will consider it later in this hearing. I would like to have a better explanation of the bill, how the registry will be established and so forth.

I hereby close the hearing on S.B. 67 and open the hearing on S.B. 434.

SENATE BILL 434 (1st Reprint): Revises provisions governing off-highway vehicles. (BDR 43-400)

SUSAN FISHER (Nevada Powersport Dealers Association):
Mr. Brian Doyal, President, Pine Nut Mountain Trails Association and the Nevada Trails is also at the witness table.

We are proponents of S.B. 434. This body has attempted for the past three or four Legislative Sessions to pass an off-highway vehicle (OHV) registration program. There are many differences of opinion on this matter. We were close this Session. The bill, as proposed initially, had good support. Some parties did not like some provisions. The bill was amended in the Senate Committee on Transportation and Homeland Security. We are not in support of the amended version of S.B. 434.

CHAIR RAGGIO:

I have asked for proponents of the bill at this time.

MS. FISHER:

If I may, the Senate Committee on Transportation and Homeland Security knew this measure had to move from their Committee prior to the deadline. They had concerns with S.B. 434 as originally introduced. There was not time to fully consider the proposed amendment.

We still support S.B. 434 and the intent of this measure. We have provided this Committee with a proposed further amendment ([Exhibit C](#)).

CHAIR RAGGIO:

We will hold S.B. 434 at this time and recognize Senator Hardy on S.B. 67.

SENATOR WARREN B. HARDY II (Clark County Senatorial District No. 12):

The bill was proposed on behalf of the Latter-Day Saints (LDS) Family Services. The intent of the bill was to provide a mechanism for individuals hoping to place their child for adoption to do so in a manner less emotional or difficult as current provisions.

The father, if he wishes to declare parental rights, would be required to register as a parent, instead of the mother having to seek out the father to obtain a release of parental rights. The father would have the same amount of time the mother has to declare her parental intentions. This bill makes it incumbent on the father to be proactive in establishment of parental rights.

CHAIR RAGGIO:

In other words, S.B. 67 would require the Health Division to establish a paternity registry, available to any man who wishes to have his paternity acknowledged and to be given notice of intent in adoptions?

SENATOR HARDY:

That is correct. If the father does not register, no parental rights are associated. This allows the mother to make the decision without having to seek out a father who may wish to have nothing to do with that child.

SENATOR TITUS:

I support making adoption easier. However, what happens if the young man is not aware of the pregnancy? Or, what if he is aware of the pregnancy but does not know if he is the father until a paternity test is done? Does the registry occur after paternity is established?

SENATOR HARDY:

It is my understanding this does not create a difficulty other than what already exists. The burden would be on the father.

MR. KEELE:

Most birth fathers will have already been informed of their paternity by the birth mothers. Those fathers, who do not know, usually find out years after the fact. The rights are terminated through the court system when the child was placed for adoption.

SENATOR TITUS:

Will this be a list of unwed fathers?

MR. KEELE:

The registry will establish a list of men who want to take responsibility for their actions. If they do not accept their responsibility, the birth mother can place the child for adoption. Those who apply to the registry would also establish their willingness to pay child support and take full responsibility for the child.

SENATOR TITUS:

How long does a father have to place himself on the registry to protect his rights?

MR. KEELE:

The bill currently reads, "in a timely manner." The birth mother has three days to make her decision and the birth father would have the same amount of time.

SENATOR TITUS:

The father only has three days to place his name in the registry?

MR. KEELE:

The father can place his name on the registry any time prior to the birth of the child or until three days after the birth of the child.

SENATOR HARDY:

If a man is genuinely interested, he will know the woman is pregnant. Unless he proactively declares his fatherhood, S.B. 67 will place the sole parental discretion with the mother.

SENATOR TITUS:

I am concerned about the unintended consequence that the father would not be responsible for child support payments if he decided not to be on the list and accept any rights.

SENATOR HARDY:

The only rights addressed under S.B. 67 are those concerning adoption. If the adoption does not occur, the father would not be relieved of any responsibility. He is only forfeiting his right to have a voice in the adoption by not applying to the registry.

SENATOR RAGGIO:

If I understand correctly, S.B. 67 would protect a father who wants to be recognized. If his name is placed on the registry, is there a requirement that he be notified?

SENATOR HARDY:

Currently, the matter goes to the courts to make a determination, leaving the mother in the difficult position of trying to make a decision while the court process is pending. The bill requires a father to pay attention.

CHAIR RAGGIO:

The other side is, presently a putative father has no way of guaranteeing notice of adoption.

SENATOR HARDY:

That is correct. This practice has been adopted in numerous other states and seems to be working well.

SENATOR BEERS:

Senator Titus's concern appeared to be that the putative father would not be required to pay child support, but that does not appear to be the intent of this legislation.

CHAIR RAGGIO:

The putative father is not required to pay child support once a child is adopted or their life is terminated.

SENATOR COFFIN:

The three-day time frame is quite short. There are many times a man is unaware he has fathered a child. There may be multiple partners involved.

SENATOR HARDY:

In that case, all he must do is apply to the registry to have his parental rights preserved. In reality, the time frame is not three days. He has the time frame throughout the pregnancy plus three days after the birth of the child. That is plenty of time for a man who genuinely desires to take part in his child's life to accomplish these steps. If the individual does not want to accept responsibility, the mother is in a difficult situation under current law. She must access a court process to terminate parental rights. The bill allows her to make that decision without the court process.

SENATOR COFFIN:

What about the situation of multiple partners? One man may declare himself to be the putative father and the other man may not or is unaware of the pregnancy and birth. What happens if the biological father is not the one who registers their rights? These are real-life circumstances.

SENATOR HARDY:

In those cases, the courts would have to make a determination, presumably through a DNA test, to decide which man is the legitimate father. Again, it is not foolproof. The current system places the mother at a significant disadvantage. I would submit that nine months and three days is sufficient time for a father to take responsibility. The mother has visible signs of pregnancy, so if the father is around her, he should know.

SENATOR COFFIN:

The bill provides for a rather speedy process. I previously introduced legislation to assist children of unwed mothers who wanted to locate their fathers. It seemed to die for lack of interest.

SENATOR HARDY:

The putative father concept is being used successfully in a number of other states.

SENATOR COFFIN:

Is it possible a child could someday use the putative father registry to determine who their father was?

SENATOR HARDY:

The answer is yes; however, it would not be necessary because once the father identifies himself on the registry, he is denoted as the legal father with the associated parental rights and has declared his wish to be a part of the child's life.

CHAIR RAGGIO:

It seems that would be a moot issue. If the father is on the putative registry, he will be notified and could participate in any proceedings to terminate parental rights which are required before an adoption can begin. We will now turn our attention to the fiscal note.

DR. RITCH:

The bill establishes a putative father's registry in the Health Division. As amended, S.B. 67 has significantly reduced the fiscal note. The reprint removed several costly items from the bill and reduced the fiscal impact for the Health Division to \$43,366 over the biennium. In fiscal year (FY) 2007-2008, the cost would be \$20,791 and \$22,575 in FY 2008-2009. These requirements would be needed for the development and adoption of new regulations by the State Board of Health. It also includes the development, revision and printing of new and existing forms, specified postal expenses and costs for a 0.5 full-time equivalent (FTE) administrative assistant I position to maintain the currency of the registry.

CHAIR RAGGIO:

Do the costs associated with FY 2008-2009 request continue the 0.5 FTE position?

DR. RITCH:

The FY 2008-2009 requirement continues the printing of forms, postal expenses and the 0.5 FTE position.

CHAIR RAGGIO:

Has a written fiscal note been submitted?

DR. RITCH:

The current fiscal note is based on the original bill. The agency plans to send the Fiscal Analysis Division a revised spreadsheet.

SENATOR BEERS:

The cost of administration appears more expensive after the amendments. The original fiscal note did not require a 0.5 FTE position.

DR. RITCH:

This bill was originally proposed in conjunction with S.B. 71. A portion of the amendments to S.B. 67 were originally provisions in S.B. 71. When both bills were amended, a portion of administration was moved to S.B. 67.

SENATE BILL 71: Enacts the Uniform Parentage Act. (BDR 11-719)

Some of the provisions of S.B. 67 that had no fiscal impact were moved to S.B. 71. The marketing and public-information campaigns were dropped in both measures. The maintenance of the registry provisions currently in S.B. 67 were originally in S.B. 71.

SENATOR COFFIN:

Will any organization that has an interest in the adoption of children have an equal standing with regard to the availability of children for adoption? How will they know about the putative father registry?

DR. RITCH:

The Health Division's role is simply the creation, maintenance and searchability of the registry on behalf of the specific agencies listed in section 14, paragraph 2. It lists a court or a person designated by the court; the mother of the child; an agency authorized by law to receive information; a licensed child-placing agency; a support-enforcement agency; or a party or parties' attorney of record in a proceeding.

The Office of Vital Records, in other states, maintains the registry. Individuals and entities involved in a court action, or other paternity or adoption action, search the registries. If they find information in the registry pertinent to their action, they are provided a certificate of search containing limited information for how to contact the putative father. The notification, adoption actions and issues related to the trial are in the purview of someone other than the Health Division.

SENATOR COFFIN:

How many licensed child-placement agencies are there?

DR. RITCH:

That is not an area under the purview of the Health Division. They come to us looking for paternity assistance. We process several thousand paternity actions each year. I can provide the information for you.

SENATOR BEERS:

Are there any other comments or questions on the fiscal note for S.B. 67?

MR. KEELE:

The fee for searching the registry would help offset a portion of the costs of the program.

SENATOR TITUS:

Who would pay a fee to the registry?

MR. KEELE:

The fee would be paid by the agencies or whomever conducts a search on the registry. The father is not required to pay a fee.

SENATOR BEERS:

Presumably, that fee would eventually be paid by the adoptive parents.

MR. KEELE:

That would be determined by the adoption agency.

DR. RITCH:

The bill, as amended, waives the filing fee. The bill also prohibits the Health Division from charging a search fee to certain entities, including a support-enforcement agency and any other agency of this State, or any other state, or the federal government. Currently, fees are charged to other agencies,

including the Bureau of Child Support Enforcement, which would be prohibited under S.B. 71. That could result in a loss of revenue to the General Fund and to the Children's Welfare Trust Fund, not currently in our budget. It is not a fiscal impact for the Health Division, but it may be an impact to those funds.

SENATOR BEERS:
Which agency is responsible?

DR. RITCH:
We currently charge search fees to the Child Support Enforcement, the Welfare and Supportive Services Division and several other State agencies requesting information on paternity.

SENATOR BEERS:
Whose budget may experience a decrease in revenue?

DR. RITCH:
The revenue goes to the General Fund in a small revenue account and into the Children's Welfare Trust Fund.

SENATOR BEERS:
Can someone provide the estimated decrease in revenue projections?

DR. RITCH:
We have an estimate based on the processing of current paternity actions and the issuance of certified birth certificates. It is estimated there could be a reduction of approximately \$44,000 to the General Fund and an \$8,000 reduction to the Children's Welfare Trust Fund based on the fee waiver. The waiving of fees to other State agencies could potentially decrease the Children's Welfare Trust Fund by \$8,000. If the General Fund State agencies are currently paying the fees, the loss could be offset. However, if they are currently paying the fees through another fund, there is a potential for loss.

SENATOR BEERS:
Will that be detailed in the revised written fiscal note?

DR. RITCH:
That is correct. The revenue will be projected on the current search and birth activity.

SENATOR BEERS:
Are there other fiscal impacts to be considered?

DR. RITCH:
No, sir.

CHAIR RAGGIO:
At this time we will close the hearing on S.B. 67 and return to S.B. 434.

MS. FISHER:
When the Senate Committee on Transportation and Homeland Security moved S.B. 434 out of Committee, they did so knowing the bill needed further time for the entities to come to a consensus. There is a fiscal note on the bill. We feel the amendment proposed in [Exhibit C](#) alleviates the fiscal note.

CHAIR RAGGIO:

Explain the provision of the amendment, please.

MS. FISHER:

The amendment will remove all provisions for registration and establishment of an OHV advisory board. It would retain the requirement for issuance of a mandatory Certificate of Title (title).

The bill, with the amendment, will now require the purchasers of all new OHVs to obtain a title for the vehicle. For the past 25 to 30 years, OHV owners have had the option of requesting a title for their vehicles. Since August 2005, the Department of Motor Vehicles (DMV) has ceased that service.

Without a requirement for a title, purchasers can go to a border state, purchase an OHV and pay no sales or use tax on their vehicles. The vehicle is only taxed when it is registered. If a title is required, proof of payment of taxes is also required.

CHAIR RAGGIO:

What kinds of vehicles does S.B. 434 address?

MS. FISHER:

It would affect any off-road vehicles such as four wheel motorcycles, dirt bikes, sand rails or non-street-legal dune buggies and snowmobiles.

SENATOR BEERS:

Does it only affect motorized vehicles?

MS. FISHER:

That is correct.

CHAIR RAGGIO:

What does the amendment do?

MS. FISHER:

The amendment removes all provisions for the advisory board. It retains a title requirement for all new OHVs purchased after January 1, 2008.

CHAIR RAGGIO:

What will the issuance of a title authorize the operators of these vehicles to do?

BRIAN DOYAL (Pine Nut Mountain Trails Association):

We are a multiuse group of just under 1,000 OHV and equestrians that conduct public service in the local outback. We have picked up 2,000 cubic yards of trash and removed 20 old cars from the area as stated in [Exhibit D](#).

If titles were required for OHVs, a loan could be secured from a bank. Currently, purchasers of used OHVs are not able to obtain bank loans for their purchases. I have provided the Committee with a copy of the Certificate of Title for my OHV ([Exhibit E](#)) issued prior to the stoppage of that process by the DMV. My name appears nowhere on the document. It simply gets passed through the chain of ownership and banks will not accept these for collateral.

CHAIR RAGGIO:
What do other states do for these vehicles?

MS. FISHER:
Most provide titles. The other western states all have OHV registration programs.

CHAIR RAGGIO:
Is there a difference between registration and titling?

MS. FISHER:
They are different programs.

CHAIR RAGGIO:
My question was how many states provide titles for OHVs?

MS. FISHER:
Most states issue titles. All states that have a registration program also issue titles. There are 39 states with title and registration programs. A number of other states have only a title program.

CHAIR RAGGIO:
Is the provision in your proposed amendment in [Exhibit C](#) the issuance of a title but not for registration?

MS. FISHER:
That is correct. We hope to eventually have a registration program, but there needs to be work done during the interim to arrive at a consensus on those provisions.

MR. DOYAL:
The OHV community in Arizona provides \$3 billion in revenue to that state as noted in a study conducted by the Arizona State University. In Minnesota, the revenue is \$641 million with only 1,700 miles of trails.

CHAIR RAGGIO:
Who generates those revenues?

MR. DOYAL:
I was referring to the OHV owners in Minnesota.

CHAIR RAGGIO:
For what period of time is the revenue figure you provided?

MR. DOYAL:
That is a one-year period.

CHAIR RAGGIO:
Is it your testimony the OHVs generate that much revenue in a one-year period?

MR. DOYAL:
Those figures are the total economic impact of OHVs in Arizona and Minnesota. I believe hundreds of millions of dollars are generated in Nevada through the

OHV community. I request a title program be authorized and that we stop pushing the OHV community out of Nevada.

CHAIR RAGGIO:
How is Nevada pushing OHV riders out of the State?

MR. DOYAL:
The Bureau of Land Management (BLM) needs help with enforcement. I have started the OHV Volunteer Program for Northern Nevada. We put on orange vests and, while riding off-road, we talk to and educate others concerning land uses and what is legal. The BLM does not have the manpower to do this.

CHAIR RAGGIO:
Your testimony is that \$3 billion is generated in Arizona. How does a title help generate those revenues?

MR. DOYAL:
It allows people to obtain loans on used OHVs. It is another step toward a valid OHV program.

CHAIR RAGGIO:
Are you saying the title allows someone to obtain a loan to purchase a used OHV?

MR. DOYAL:
That is correct.

CHAIR RAGGIO:
I am having difficulty seeing the nexus between issuance of a title and generation of that kind of revenue.

MR. DOYAL:
If they are issued a title, they will have to pay sales and use taxes.

CHAIR RAGGIO:
Why is receipt of a title so important purchasers go out of state to purchase an OHV?

MS. FISHER:
We have worked closely with the Department of Taxation on this particular issue. It has been known for a number of years that people will call or go to a local motorcycle dealer and say, "How much is that snowmobile or quad?" The dealer might say "\$10,000 plus tax." They then call a dealer in Green River, Utah, or Susanville, California. The response for the same make and model vehicle will be \$10,000 out the door, because they do not have to pay the sales and use tax. Nevada is losing millions of dollars in tax revenue.

CHAIR RAGGIO:
Is the reason they do not have to pay sales and use tax because the vehicle is not being registered in the state of purchase?

MS. FISHER:
That is correct.

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SENATOR BEERS:

If I broke into your home, stole your title and your motorcycle, would I own the motorcycle?

MR. DOYAL:

Not legally.

SENATOR BEERS:

You would have a difficult time proving otherwise.

MR. DOYAL:

Currently, in Nevada, a person can possess a stolen motorcycle and ride all day long. No one cares. Some of my friends have had their motorcycles stolen without much recourse. There is no annual registration.

SENATOR BEERS:

Would the title system give law enforcement the ability to track the old owner through the vehicle identification number (VIN)?

MS. FISHER:

That is correct. The VIN would be recorded through the DMV under our proposal. The legal owner would also be recorded.

MR. DOYAL:

Stickers are currently required on all OHVs from 2006 and newer.

CHAIR RAGGIO:

Explain that requirement.

MS. FISHER:

Under *Nevada Revised Statutes* (NRS) 490, passed as S.B. No. 400 of the 73rd Legislative Session, the Department of Taxation agreed to produce a sticker. Issuance of the sticker is dependent on proof of payment of taxes. That program is voluntary.

CHAIR RAGGIO:

We will now hear the opponents to S.B. 434.

PAULA BERKLEY (Nevada Responsible Trails Alliance):

We have provided the Committee with the membership list of our coalition ([Exhibit F](#)). We are people who are working for common sense solutions to restore Nevada's backcountry and keep trail use responsible and safe. We are a coalition of sportsmen, ranchers, farmers, Native Americans, conservationists and private citizens.

This is evidence of a growing public concern and backlash against irresponsible OHV use that impacts private and public lands, rangelands, wildlife habitat and cultural resources. Also in [Exhibit F](#) are pictures of why our coalition has concerns. One thing that always comes to mind is we can still see the tracks of the old wagon wheels going across the desert after over 100 years. How many hundreds of years will the damage from irresponsible OHV use be evident?

There are flaws in S.B. 434 as well as the proposed amendment in [Exhibit C](#). The Governor is likely to veto the bill because of his stand to support no new

fees that are not supported by all users. We represent a number of users opposed to the fee.

CHAIR RAGGIO:

Are you opposed to the utilization of these OHVs because their testimony is that without having a title, they cannot obtain loans for purchase? Are you saying you do not want people to purchase OHVs? They would simply go out of state to make purchases.

MS. BERKLEY:

According to Ms. Fisher's testimony in the past, there are approximately 20,000 off-road vehicles sold each year. Of those, approximately 5,000 are being purchased out of state. The extreme loss of revenue Ms. Fisher testified to is not understandable.

The amendment has no enforcement, similar to that of the Department of Taxation's sticker program. The bill could pass, with the amendment, tomorrow and no effective change to the people buying out of state would happen, because there is no enforcement against out-of-state purchases.

CHAIR RAGGIO:

What is wrong with someone owning a motorized vehicle and desiring to have title for it?

MS. BERKLEY:

There is nothing wrong with that.

CHAIR RAGGIO:

That is what they are suggesting.

MS. BERKLEY:

There are many users of OHVs. Ranchers and farmers have them. We are not proposing to prohibit their use or purchase. We do discourage the idea of fiscally supporting a program that only benefits the dealers. Why would titles only be issued to new owners of OHVs in the fiscal note on S.B. 434? What about the 400,000 users who currently cannot obtain a loan to purchase a new OHV?

CHAIR RAGGIO:

Are you proposing an extension to the amendment allowing all owners to obtain titles for their units?

MS. BERKLEY:

If that was done, the start-up cost would be approximately \$3.5 million. These users do not support the bill, so ultimately the bill would likely be vetoed by the Governor.

CHAIR RAGGIO:

Are you saying none of these users support the opportunity to obtain a title for their OHVs?

MS. BERKLEY:

A title is a good idea. Our position is the real need is not only a title, but a registration and a visible license plate to enable law enforcement when users abuse the privilege such as that depicted in [Exhibit F](#).

Since when does the State initiate a program to allow individuals to obtain loans? We are concerned about the damage to our environment. We should deal with the whole solution. Perhaps the title-only option would be a good idea if 400,000 users only caused a small amount of damage, but that is not the case.

SENATOR BEERS:

How does not processing this bill repair the damage to the environment displayed in [Exhibit F](#)?

MS. BERKLEY:

The users are all concerned that we arrive at a comprehensive solution. We need an agency willing to administer the program. The DMV does not want to be that agency. The DMV will testify titling of OHVs is unconstitutional. It cannot be an unfunded mandate for law enforcement because law enforcement will still be required in this industry. Jurisdiction is not identified in S.B. 434.

SENATOR BEERS:

Again, how does failure to process S.B. 434 repair the damage you have depicted?

MS. BERKLEY:

It does not fix the damage. We should wait for a bill that will address the real issues. We think the law should cover all 400,000 users, not just the 15,000 addressed by S.B. 434. Every user needs a title, but they also need a license. The license would push the education that would begin addressing the off-road abuse currently occurring.

ERNEST ADLER (Reno-Sparks Indian Colony):

The Reno-Sparks Indian Colony agrees with much of what Ms. Berkley has stated. Their position is this: a solution is needed, and a registration, or possibly a license with a visible sticker, may help. When law enforcement is involved, they are not able to identify a vehicle or the owner because there is no visible license on the vehicle. The Department of Taxation sticker does not correspond to a Nevada registration with ownership identification.

Rather than taking no action during the current Legislative Session, the Reno-Sparks Indian Colony would like to have registration and visible license plates included in the bill to enable law enforcement efforts. The damage depicted on page 2 of [Exhibit F](#) is adjacent to the Reno-Sparks Indian Colony. Currently, law enforcement arrives and the OHV user flees the scene without law enforcement having any recourse.

CHAIR RAGGIO:

What statute does this abuse violate?

MR. ADLER:

Many times the issue is the BLM regulations. They would have preferred the comprehensive bill as S.B. 434 was in its original form. That would have included an advisory panel, licensing and registration, funding to repair

environmental damage and funding to establish tracks where people can ride responsibly.

CARRIE SANDSTEDT (Nevada Responsible Trails Alliance):

It was mentioned earlier that S.B. 434 was passed to allow time to gain consensus. Our coalition approached the Nevada Powersport Dealers Association and asked if they would support a visible identification on the rear of OHVs as well as the title provision. They refused. This bill began as a more comprehensive measure and has been watered down to not address many issues such as theft, loss of habitat and others.

CHAIR RAGGIO:

If nothing is done, it will not help the abuse of public lands. How is our doing nothing going to help that situation?

MS. BERKLEY:

Next session, we will be in the same position as we are this session. The sticker program enabled no enforcement, so it did not work. The title program enables no enforcement. Whether S.B. 434 passes or not, the end result will be a program that functionally accomplishes nothing.

CHAIR RAGGIO:

That was a part of the discussions during the previous Legislative Session.

MS. BERKLEY:

The sticker program was provided through the auspices of the Department of Taxation without a funding provision. This bill is requesting State funds to initiate a title program without enforcement provisions and will not generate revenue. We would rather reach toward the goal of addressing the issues involved. I have provided written testimony ([Exhibit G](#)) for the Committee.

CHAIR RAGGIO:

The current fiscal note addresses the original version of S.B. 434. Are there other fiscal notes from any agency, particularly the DMV, on this bill as proposed with the amendments of [Exhibit C](#)?

The Committee is not necessarily considering either the original bill or the first reprint. We are looking at a request to amend the bill to provide titling of OHVs.

CLAY THOMAS (Deputy Director, Department of Motor Vehicles):

I was only handed the amendment as I entered the room today. On a preliminary basis, a meeting was held on April 23, 2007. It was sponsored by Ms. Fisher, and approximately 25 individuals representing a variety of entities participated. Some of those entities included the OHV dealers and riders, trail association members, public land use individuals and State agencies. The meeting lasted approximately six hours, and at the conclusion, there was consensus the DMV was probably not the appropriate agency to issue the OHV titles. One reason is because the DMV is a Highway Fund agency. According to the *Constitution of the State of Nevada* and NRS 408, as a Highway-Funded agency, the funds so collected must be used toward the maintenance, construction and administration of highways.

CHAIR RAGGIO:

Would it be an issue for the DMV if the program were funded by the General Fund?

MR. THOMAS:

No, it would not be a problem.

CHAIR RAGGIO:

The Committee needs to know what the cost would be to the DMV if titles of this kind were required. Please provide that information to the Committee. Then we can determine whether or not it is an appropriate allocation to the General Fund or to the Highway Fund.

MR. THOMAS:

I will provide that information.

SENATOR MATHEWS:

I understood the DMV issued OHV titles previously. Why was that practice halted?

MR. THOMAS:

At one point in time, non-street-legal titles were issued. We subsequently learned some OHVs had received titles. Our research revealed the DMV had no constitutional authority to issue those titles, and the practice was stopped.

SENATOR MATHEWS:

There should be no fiscal impact to resume the OHV title program at the direction of the Legislature if funding source issues are resolved.

MR. THOMAS:

When the program ceased in 2005, the title-production system was different. Those titles for OHVs were manually entered, and we no longer have that capability. The requirements of S.B. 434 and the amendment would necessitate manual entry of the titles and accounting changes. The VINs do not conform to the national standard and cannot be processed for out-of-state titles or stolen checks against our system.

The DMV would prefer, if directed to issue these titles, that all dealers be required to be registered and licensed with the DMV which would provide consumer protections. The process would also create a bifurcated system.

SENATOR MATHEWS:

It seems if you have more up-to-date equipment, time savings would occur which would offset the costs you just specified.

CHAIR RAGGIO:

We will allow the agency to draft a revised fiscal note and present it before the Committee. Those who wish to request amendments to S.B. 434 need to provide the amendment in the appropriate written form.

KAREN BOEGER:

I am present representing myself. I have been working on off-road issues for over 30 years. It seems to me the proposed amendment to the bill providing only a title process, without any means of enforcement, will not solve problems.

People can still evade the tax. However, if the OHVs were required to have a highly visible identification tag on the rear of the vehicle, which I support, you could know at a glance whether someone has received their title.

That provision would allow some title enforcement and management of OHV activities.

CHAIR RAGGIO:

These matters should have been decided in the Senate Committee on Transportation and Homeland Security. This is not an appropriate Committee to decide these policy matters. I hereby close the hearing on S.B. 434 and open the hearing on S.B. 561.

SENATE BILL 561: Makes an appropriation to the Keaton Raphael Memorial to provide financial assistance to families who have children with cancer. (BDR S-1441)

SHIRLEY FOLKINS-ROBERTS (Board Member, The Keaton Raphael Memorial):
We are present in favor of S.B. 561.

CHAIR RAGGIO:

A hearing was held on this bill, and a letter ([Exhibit H](#)) was presented for the record. Please explain what The Keaton Raphael Memorial (KRM) does.

MS. FOLKINS-ROBERTS:

First, I will introduce Robyn Raphael, the founder of the memorial foundation. She founded the organization in California following the death of her son ten years ago. Ms. Lizzy Dalton is the patient navigator in Reno, Nevada. We established a Reno chapter in 2004.

CHAIR RAGGIO:

Where does the name come from?

ROBYN RAPHAEL (Executive Director, The Keaton Raphael Memorial):

Keaton Raphael was our 5-year-old son. The organization was established in his memory after he passed away.

CHAIR RAGGIO:

Where was this established?

MS. RAPHAEL:

It was established in Roseville, California, through a need for family support. When our family went through our experience, there were no comprehensive services in northern California. That means helping families navigate through the tragedy ahead of time, including such things as finances and provisions of information. We are a support organization advocating for research at the local and national levels.

To my knowledge, we are the only nonprofit memorial organization in northern California and Nevada advocating on behalf of increased research funding for the Children's Oncology Group. We focus on education, and our patient care fund delivers direct financial assistance to families. It establishes local programs to ease each family through their journey. Our patient navigator

helps families identify what is happening in their situation and prioritizes those needs. We hope to alleviate some of the suffering families are experiencing.

Families with children diagnosed with cancer in northern Nevada must travel to northern California to receive quality of care for pediatric oncology. There is currently no permanent pediatric oncology facility in northern Nevada.

Our long-term goal for the Nevada chapter is focused locally and for the alleviation of suffering for families in this area. This chapter was begun based upon that need.

CHAIR RAGGIO:
When was the Nevada chapter created?

MS. FOLKINS-ROBERTS:
It began in 2004.

CHAIR RAGGIO:
This is a nonprofit foundation?

MS. FOLKINS-ROBERTS:
That is correct.

CHAIR RAGGIO:
Have you submitted a budget and financial statement for S.B. 561?

MS. FOLKINS-ROBERTS:
Our budget is a part of the request packet ([Exhibit I](#), original is on file in the Research Library). You will find the budget on page 4 of [Exhibit I](#).

CHAIR RAGGIO:
What other funding do you receive locally?

MS. FOLKINS-ROBERTS:
We have had a great deal of success in the community through private fund-raising. We hold a golf tournament to help raise funds. The purpose of the request for State funding is to offer families additional financial assistance, allow us to offer further advocacy for research funding in Nevada and the establishment of an endowment for a pediatric oncology unit in Nevada.

CHAIR RAGGIO:
Are families offered grants and financial assistance for their needs?

MS. FOLKINS-ROBERTS:
That is correct.

MS. RAPHAEL:
There are currently two chapters. Each is specific to its community. The northern California needs are not necessarily those of Reno, Nevada. We provide financial assistance directly to families. Even more than that, we have a personal navigator who helps families move through the health-care process and personal issues. We have been the lead organization in northern Nevada to begin a collaborative group with other childhood cancer organizations.

CHAIR RAGGIO:

Where are each of you physically located?

MS. FOLKINS-ROBERTS:

Ms. Raphael is from Roseville, California. I am from Reno. Ms. Dalton works in our Reno office in facilitating and offering services for childhood cancer victims and their families. There is no social worker in Nevada to guide these families. There is no pediatric hospice. We are attempting to fill some of the pediatric-service gaps.

CHAIR RAGGIO:

As you are aware, the Legislature has many nonprofit requests during this Legislative Session and a limited budget. I would note you have an organization worthy of support.

MS. RAPHAEL:

We have an engaged and functioning board of directors in Nevada. There are several community leaders involved. Childhood cancer remains the number one disease killer of our children. It kills more children each year than pediatric auto-immune deficiency, cystic fibrosis, juvenile diabetes and congenital anomalies combined. We will lose approximately 2,300 children this year to cancer. It remains this way for a number of reasons.

This Memorial and I, personally, along with others, are committed to alleviating that situation through future resource funding. Until a cure is found, we are, and remain, committed in both chapters to helping families along the way.

CHAIR RAGGIO:

We empathize with you and appreciate your appearance today. I hereby close the hearing on S.B. 561. The Committee will begin considering budget closing items.

MELINDA MARTINI (Policy Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on Public Safety, Natural Resources and Transportation completed its review of the Office of the Military. The closing recommendations of the Senate members of the Subcommittee resulted in General Fund savings of \$494,200 in FY 2007-2008 and \$331,075 in FY 2008-2009.

The first budget is the Office of the Military, budget account (B/A) 101-3650.

INFRASTRUCTURE

MILITARY

Military – Budget Page MILITARY-1 (Volume III)
Budget Account 101-3650

In closing this budget, the Joint Subcommittee on Public Safety, Natural Resources and Transportation recommended approval of funding as recommended by the Governor for implementation of a new Project ChalleNGe Program in the State of Nevada. The Project ChalleNGe Program is a National Guard Program that is educational and consists of a five-month residential phase and a one-year post-residential phase. One of the goals of the

program is for students to obtain a General Education Diploma. Applicants must be volunteers between 16 and 18 years of age, drug-free, unemployed, a high-school dropout, and not under current juvenile probation. States that implement the Program are required to graduate two 100-student classes each year. Currently, the Nevada National Guard participates in the Project ChalleNGe Program through the Arizona National Guard at a cost of approximately \$136,000 each fiscal year. Through the Arizona agreement, Nevada sends 24 students each year to the Program. Since the last Nevada graduating class through the Arizona program would be December 2007, General Fund support of \$67,200 in FY 2007-2008 and \$134,400 in FY 2008-2009 was eliminated for the agreement with the Arizona National Guard.

The Joint Subcommittee on Public Safety, Natural Resources and Transportation approved General Funds of \$500,000 in FY 2007-2008 for start-up costs for the new Project ChalleNGe Program. Operational costs for the Program are funded with 60-percent federal funds and 40-percent State funds. The Senate Subcommittee recommended approval of State General Funds of \$1.2 million in FY 2008-2009 and recommended the office be authorized to accept federal funds in the amount of \$1.68 million to implement the program during FY 2008-2009; the first class would begin the program in July 2008. The State General Funds of \$1.2 million represent \$120,000 more than the State requirement. According to the office, the additional State funds would be utilized to provide sufficient staffing for effective 24-hour coverage for the Program.

In addition to operational costs of the Program, the State is required to support 100 percent of the facility costs to house, feed and educate the 100 students enrolled in each class. The Governor has formally requested the use of the former federal prison camp at Nellis Air Force Base as the location for the Nevada Project ChalleNGe Program. Confirmation of the availability of this facility for purposes of the Project ChalleNGe Program has not yet been received by the Nevada National Guard. In the event there are delays in obtaining a facility, the Office of the Military indicates the Stead Training Facility could be utilized for the short term.

The Joint Subcommittee on Public Safety, Natural Resources and Transportation did not approve the recommendation of the Governor to utilize rental income from the State Emergency Operation Center (SEOC) to support a new full-time heating, ventilation and air-conditioning (HVAC) specialist as the funding recommended was insufficient to support the recommended expenditures for the position. Instead, the Subcommittee authorized the agency to utilize \$35,910 in FY 2007-2008 and \$30,983 in FY 2008-2009 for contract services to obtain a qualified HVAC contractor to perform services, if needed, for the SEOC during the 2007-2009 biennium. In addition, the Subcommittee approved a letter of intent requesting the Office of the Military to monitor the HVAC service needs of the SEOC during the 2007-2009 biennium and report the findings to the 2009 Legislature.

The Joint Subcommittee on Public Safety, Natural Resources and Transportation approved funding of \$812,900 for facility-maintenance projects during the 2007-2009 biennium. Of this amount, General Funds of \$225,020 were recommended for approval to support carpet replacement, caulking and sealing and roof repairs. In addition, the Subcommittee recommended authorization of

the office to accept \$587,880 in federal funds to support additional facility maintenance and deferred-maintenance projects in military facilities across the State. The Subcommittee recommended to reduce General Funds in the amount of \$18,000 over the biennium for projects that should be funded with federal funds. In addition, the Subcommittee recommended approval of the reduction of General Funds in the amount of \$20,000 for revised vendor estimates for carpet replacement and an additional \$72,000 for carpet replacement that could be deferred until the 2009-2011 biennium.

The next B/A is 101-3652.

Adjutant General Construction Fund – Budget Page MILITARY-10 (Volume III)
Budget Account 101-3652

The Joint Subcommittee on Public Safety, Natural Resources and Transportation recommended approval of the budget for the Adjutant General Construction Fund as recommended by the Governor. The Governor recommends authority of \$35,908 in FY 2007-2008 and \$36,408 in FY 2008-2009 for this fund. This fund is a flow-through account for environmental, construction and major repair projects.

The next B/A is 101-3653.

National Guard Benefits – Budget Page MILITARY-12 (Volume III)
Budget Account 101-3653

The Joint Subcommittee on Public Safety, Natural Resources and Transportation recommended approval of \$20,000 in each fiscal year to continue to provide tuition reimbursement to National Guardsmen who attend summer school, as recommended by the Governor. In addition, the Subcommittee recommended approval of the Governor's recommendation of \$5,250 in each fiscal year to continue the Nevada War on Terrorism Medal Program.

The final B/A is 101-3654.

Patriot Relief Fund – Budget Page MILITARY-14 (Volume III)
Budget Account 101-3654

Assembly Bill No. 580 of the 73rd Legislative Session was approved by the 2005 Legislature. It created the Patriot Relief Account (NRS 412.1435) as a special account in the General Fund and appropriated \$500,000 in each fiscal year of the 2005-2007 biennium to the account. As created, the funds in this account would earn interest and would not revert to the General Fund at the end of any fiscal year. The funding in the account is utilized to pay premiums on group life insurance, to fund textbooks for courses of study in higher education, and to provide monetary relief from economic hardships experienced by members of the Nevada National Guard.

The Subcommittee recommended approval of updated projections from the agency that estimate \$613,675 currently in the fund will not be utilized during the 2005-2007 biennium; these funds will balance forward to FY 2007-2008. In addition, the Subcommittee recommended approval of the agency's projections that \$415,000 in each fiscal year of the 2007-2009 biennium would be required to support the needs of Nevada National Guardsmen. Since there would

be sufficient funding that would balance forward to FY 2007-2008 to meet the needs of the Nevada National Guardsmen, the Subcommittee recommended to not approve the Governor's recommendation to add \$415,000 to the General Fund. For FY 2008-2009, the Subcommittee recommended approval of \$316,325 of the Governor's recommended \$415,000 to meet the needs of Nevada National Guardsmen; this action saved the General Fund \$98,675. Total savings, based upon revised expenditure projections, coupled with the use of unspent funds during the 2005-2007 biennium, are \$513,675.

Because the Patriot Relief Fund has not yet been credited with interest, the Subcommittee also recommended approval of a letter of intent to the Office of the State Treasurer noting that it is the intent of the Assembly Committee on Ways and Means and the Senate Committee on Finance that this fund should receive interest on the realized funding available in the account.

CHAIR RAGGIO:

Other than the Project ChalleNGe Program, were there any other differences between the Joint Subcommittee's actions?

MS. MARTINI:

There were not.

CHAIR RAGGIO:

Unless there are questions from the Committee and reserving the National Guard Project ChalleNGe Program, the Chair will accept a motion.

SENATOR RHOADS MOVED TO ACCEPT THE REPORT FROM THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION FOR THE BUDGETS OF THE MILITARY WITH THE EXCEPTION OF THE NATIONAL GUARD PROJECT CHALLENGER PROGRAM.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CEGAVSKE WAS ABSENT FOR THE VOTE.)

BUDGET CLOSED.

* * * * *

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May 14, 2007
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CHAIR RAGGIO:
Hearing no further testimony, the meeting is adjourned at 5:41 p.m.

RESPECTFULLY SUBMITTED:

Cynthia Clampitt,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE:_____