

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

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

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:20 a.m. on Friday, May 25, 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 Barbara K. Cegavske
Senator Bob Coffin
Senator Dina Titus
Senator Bernice Mathews

GUEST LEGISLATORS PRESENT:

Assemblyman Pete Goicoechea, Assembly District No. 35

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Mark Krmpotic, Senior Program Analyst
Sandra K. Small, Committee Secretary

OTHERS PRESENT:

The Honorable James W. Hardesty, Associate Justice, Supreme Court
Alan Butson, Director of Logistics, Nevada National Guard, Office of the Military
Miles Celio, Administrative Services Officer, Office of the Military
Tray Abney, Legislative Director, Office of the Governor
Major General (Retired) Giles Vanderhoof
Major General (Retired) Steve Vonderheide
Dan Rosenblatt, Executive Director, Lear Theater
Dennis K. Neilander, Chair, State Gaming Control Board
Mendy K. Elliott, Director, Department of Business and Industry
Jim Feeney, Finance Director, Tahoe Regional Planning Agency

CHAIR RAGGIO:

The first bill the Committee will consider is Senate Bill (S.B.) 184 heard previously by this Committee.

SENATE BILL 184 (3rd Reprint): Revises provisions governing education.
(BDR 34-419)

The primary issue with this bill concerns the Commission on Educational Excellence. Assembly Amendment No. 821 does two things. Page 30, lines 43 to 47, of the Assembly amendment requires the Commission on Educational Excellence, " ... to the extent practicable, that grants of money ... reflect the

economic and geographic diversity of this State, the academic needs of pupils, any special academic interest of pupils, and other special concerns of pupils, including ... schools that have a large population of Native Americans." All of these things should probably be reflected in the school district improvement plans that are submitted which the Commission already funds. It is only " ... to the extent practicable ..." that the Commission can insure these things. The Chair's observation is this is probably alright. The Committee is aware when we close the education budget the funding will probably be limited so we will not have something like additional full-day kindergarten creeping in which is what occurred last time. The second part of the amendment is on page 35 which addresses the new default curriculum. A good change was made which the superintendent of instruction wanted clarified. If a student does not enroll in a default curriculum under the opt-out provision, the curriculum the student does enroll in must satisfy all of the standard requirements for a standard or adjusted high school diploma. These appear to be acceptable changes. I suggest we concur with this Assembly amendment.

SENATOR CEGAVSKE:

There are several types of diplomas. Does this amendment encompass all of the diplomas?

CHAIR RAGGIO:

My understanding is the amendment does not change any of the diplomas. To which section are you referring?

SENATOR CEGAVSKE:

I am looking at page 35, lines 37 and 38.

CHAIR RAGGIO:

If the student opts out of the default curriculum, which can happen under S.B. 184, the student must enroll in a curriculum which satisfies, in full, the requirements for a standard or adjusted high school diploma.

SENATOR CEGAVSKE:

There are other types of diplomas. Does the amendment affect the other types of diplomas? That is the only thing which concerns me; I am concerned we may be encompassing other types of diplomas. I want to know what is meant by "adjusted diploma."

CHAIR RAGGIO:

We will hold S.B. 184 for further clarification. The Committee will hear S.B. 247.

SENATE BILL 247 (3rd Reprint): Creates the Nevada Youth Legislative Issues Forum. (BDR 34-52)

The Assembly amendment 823 to S.B. 247 allows the Assembly to submit recommendations to the Senate concerning appointments to the Nevada Youth Legislative Issues Forum. The Senate would consider the recommendations when determining appointments but is not required to appoint anyone recommended by the Assembly. I believe the Committee could agree to concur.

SENATOR COFFIN MOVED TO CONCUR WITH ASSEMBLY AMENDMENT 823 TO S.B. 247.

SENATOR BEERS SECONDED THE MOTION.

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

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CHAIR RAGGIO:

The Committee will review S.B. 239.

SENATE BILL 239 (2nd Reprint): Creates the P-16 Advisory Council.
(BDR 34-416)

Assembly amendment 822 revises the membership of the P-16 Advisory Council. The bill includes 11 members; the amendment revises the Council to 15 members and revises how the chairman and vice chairman are appointed. Five voting members in the existing language of the bill are appointments by the Governor. The Governor's appointments represent higher education, elementary and secondary education, early childhood education, private business and a representative meeting the qualifications of any of those groups. The bill includes four appointments, two each, by the majority leader and the speaker. The minority leaders of the Senate and the Assembly will each appoint a member of the general public.

The Assembly amendment will provide two additional appointments by the Governor: a pupil from a secondary school and a student from higher education. Appointments by the leadership would retain a Senator and an Assemblyman but change the appointment of a representative of those elements mentioned to a parent or pupil instead and a licensed teacher at a school district or a university instructor. The amendment also requires the chancellor and superintendent of public instruction to serve as ex officio nonvoting members to the council. The amendment deletes language in the bill allowing the Governor to appoint the chancellor and superintendent as voting members. The amendment revises the appointment of the chairman and vice chairman and any vacancy of the chair or vice chair from a Governor-appointed representative of business or general public to an election by the Council of any member of the Council. The amendment recognizes the State Board as a partner in working together to advance education in the State. Previously, the bill only mentioned the Legislature, the Board of Regents and the Executive Branch.

There has been concern the membership of the P-16 Advisory Council is too large. We were trying to have an efficient and workable Council. Senator Cegavske worked with her contacts to develop a membership tailored to what was effective in other states. I suggest the Committee not concur because the Council is becoming too large.

SENATOR CEGAVSKE MOVED TO NOT CONCUR WITH ASSEMBLY AMENDMENT 822 TO S. B. 239.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

Today is the deadline for all nonexempt bills to be sent from one house to the other. The Committee will hear S.B. 571.

SENATE BILL 571: Makes a contingent appropriation to the Interim Finance Committee for a portion of the costs of constructing a courthouse in White Pine County. (BDR S-1230)

SENATOR RHOADS:

The Committee knows what is needed to replace the Ely courthouse. This is the third session we have attempted to do something about the courthouse and this is the third bill this Session. The situation in Ely is dangerous; a new courthouse is needed.

ASSEMBLYMAN PETE GOICOECHEA (Assembly District No. 35):

You have heard testimony regarding the White Pine County courthouse. If you have ever been in that courthouse during a proceeding, you know there is no way even an army could ensure you could get out of the building safely. The security scanners are at the top of the stairs. You are in the heart of the courthouse by the time you go through the security check. It is impossible to protect people in the courthouse. White Pine County may have asked for the prison. I do not believe the solution is to transport the prisoners 320 miles across Nevada or to impose the cost of hearing these cases on Carson City. We need to address the problem; there must be some middle ground. We need an adequate facility in White Pine County in Ely to maintain security for prisoners and the people of White Pine County.

CHAIR RAGGIO:

The problem is the result of the maximum-security facility existing in White Pine County.

ASSEMBLYMAN GOICOECHEA:

That is correct. The worst of the worst are incarcerated in White Pine County at the Ely State Prison. There are many appeals. You only have to walk to the bottom of the stairs during a proceeding to realize the threat; you do not have to go to the courtroom.

CHAIR RAGGIO:

As Senator Rhoads indicated, this measure was before us during previous sessions; the cost would have been considerably less at that time. The Senate supported the bill; the Assembly did not. The construction cost is now higher. Is the total cost of construction around \$14 million?

ASSEMBLYMAN GOICOECHEA:

Yes, it is. Maybe there is some way to pare back the cost, but the cost will continue to escalate.

CHAIR RAGGIO:

The bill requests \$6.5 million.

ASSEMBLYMAN GOICOECHEA:

That amount is the second half of the funding and is not included in the *Executive Budget*.

SENATOR COFFIN:

Do you know where the money would come from to get \$6.5 million to White Pine County?

ASSEMBLYMAN GOICOECHEA:

It is unfortunate we did not roll back a portion of the \$300 million surplus refunded last Session.

SENATOR COFFIN:

In 2003, four of the rural county Assemblymen requested projects but would not support the tax increase which would have allowed the General Fund, for the first time in Nevada history, to build a courthouse for a rural county.

ASSEMBLYMAN GOICOECHEA:

In 2003, we did not say we would not increase taxes; the issue was the amount of the tax increase. At that time, I supported a \$704 million increase in taxes. I am asking this Committee to consider the needs the State has imposed on the citizens of White Pine County. White Pine County is meeting a need of the State with the maximum-security prison. It is time for the Legislature to step up to the plate and meet those needs.

SENATOR COFFIN:

You are right.

CHAIR RAGGIO:

White Pine County wanted the maximum prison.

ASSEMBLYMAN GOICOECHEA:

I agree; White Pine County has been struggling for a number of years. If the decision was to be made today, it might be different. They thought the prison system would help the economy.

SENATOR BEERS:

The bill requests a portion of the needed funding. Have other sources of funding been identified?

THE HONORABLE JAMES W. HARDESTY (Associate Justice, Supreme Court):

District Court Judges Dan Papez and Steven Dobrescu are advocates of this bill. The total cost of this project is \$13,000,415 with a \$1,080,000 contingency. The \$6.5 million provides half of the funds necessary. The approval of S.B. 74 would generate a \$3 million bond through the sales tax increase, if the County Commissioners approve it. Additionally, the judges are working to explore an additional \$3 million through private financing options. A number of businesses locating in the community have indicated their interest. The need for the courthouse is well documented from a safety standpoint. The need is also important with respect to civil cases. The increased population in White Pine County will provide some benefit to those businesses. They are within \$2 or \$3 million of getting across the goal line. The \$6.5 million would be an enormous benefit. The bill requests matching funds.

SENATE BILL 74 (1st Reprint): Revises provisions governing expenditure of money in infrastructure fund of certain counties. (BDR 32-255)

Recently, the Nevada Supreme Court heard a writ petition in the case of *State v Marritte Funches*. Mr. Funches is charged with murder. He is located in and the murder was committed in the Ely State Prison. The question before the Nevada Supreme Court was whether, because of the high security risk existing at the White Pine County Courthouse, the District Court Judge could change venue of the case from White Pine County to another district court in this State. The Supreme Court did not find an abuse of discretion on the part of the district court judge in changing venue. That case has been transferred to the Carson City District Court. This involves the State Public Defender's Office, the Office of the Attorney General and witness transportation from the Ely courthouse to the Carson City courthouse. The prosecution will be at State expense. High-risk trials occurring in other jurisdictions incur substantial dollars. There will be a fiscal impact of having trials take place in other locations within the State. There are two courthouses in the State able to accommodate this type of trial: Carson City and Clark County. For security reasons, a trial like this would not be advisable in Washoe County. While the amount has not been computed, there will be increased costs if these cases continue to occur and venue has to be transferred out of White Pine County.

CHAIR RAGGIO:

Almost everyone on this Committee has visited that courthouse and seen the cage in which a criminal defendant is maintained prior to an appearance.

JUSTICE HARDESTY:

In the White Pine County Courthouse, juror number one would be sitting within six feet of Mr. Funches. The question in the case was whether he could be tried in shackles. As you know the U.S. Supreme Court places severe limitations on the capability of a trial judge to put the defendant in shackles and not end up having that case reversed.

SENATOR TITUS:

You mentioned White Pine County is looking at raising the sales tax. Why have they not done that to show good faith?

JUSTICE HARDESTY:

My understanding of S.B. 74 is White Pine County was allowed to levy a .0025 cent sales tax in which the funds were designated for infrastructure debt service bonding and includes language contemplating law enforcement and judicial resources. The utilization of funds had not been in their law.

SENATOR TITUS:

Has White Pine County not voted to increase the tax because S.B. 74 is not final?

JUSTICE HARDESTY:

That is correct. The bill is enrolled; the Governor has not signed the bill.

SENATOR TITUS:

There is a lot of discussion this Session about raising taxes. Douglas County wants to raise the room tax. Churchill and Lyon Counties want to raise property taxes. Nye County wants to raise the sales tax. Washoe County wants to raise the real estate transfer tax. White Pine County wants to raise the sales tax. Is the Governor going to approve the tax increases if the Legislature approves the \$6.5 million?

SENATOR RAGGIO:

The \$6.5 million is in the budget.

ASSEMBLYMAN GOICOECHEA:

White Pine County is presently being managed by the Department of Taxation and is under a severe economic hardship. Their property tax assessment rate is above the \$3.64 cap. Taxation allowed White Pine to impose another .0025 cent. They are hard pressed to meet the County's needs with the existing tax structure. With the passage of S.B. 74, another .0025 cent could be imposed. That would put White Pine County almost at the same rate as Clark County at 7.5 percent, the highest in all the rural counties.

SENATOR TITUS:

Will this tax increase go on the ballot?

ASSEMBLYMAN GOICOECHEA:

The people of White Pine County, recognizing the need, would support another .0025 cent sales tax. The people who live there are aware of the need for a change in the courthouse. The officers are at the top of the stairs screening for weapons. You could be in the facility, on the stairs, and there would be no way for anyone to escape if an armed person entered the facility.

CHAIR RAGGIO:

There being no further testimony, we will close the hearing on S.B. 571. We will open the hearing on S.B. 250.

SENATE BILL 250: Makes an appropriation to the Adjutant General of the Office of the Military for the purchase of vehicles and equipment. (BDR S-1226)

MILES CELIO (Administrative Services Officer, Office of the Military):

Senate Bill 250 is a one-shot appropriation to fund replacement equipment; a new all terrain vehicle/tractor for grounds keeping; a camera device which allows us to run a scope down drains, conduit and duct work; and floor machines for building maintenance.

CHAIR RAGGIO:

The Committee heard this bill March 29, 2007. Are the numbers still accurate?

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Yes, they are accurate.

CHAIR RAGGIO:

I understand the Office of the Governor is proposing an amendment.

TRAY ABNEY (Legislative Director, Office of the Governor):

The Committee has received a copy of "Proposed Amendment to SB 250" ([Exhibit C](#)). The Governor is recommending a small technical amendment to S.B. 250. The first part of the amendment deals with the term of the adjutant general. Current law says the Governor appoints the adjutant general for a four-year fixed term. We would like that language changed to " ... be responsible to and serve at the pleasure of the Governor" There are three main reasons to support this request. The Commander in Chief of the military, the Governor, should be able to choose his own general. We want to provide

consistency with most of the rest of the cabinet which serves at the pleasure and will of the Governor. We want to provide consistency with the rest of the states. Our research shows 34 out of 50 states allow the adjutant general to serve at the pleasure of the Governor.

The second part of the amendment says the Governor may waive the age limitation for Nevada National Guard officers upon request of any officer. Currently, that age limitation is 64. The Governor should be able to choose his own general and not be subject to arbitrary age limitation.

That is the essence of the amendment.

SENATOR COFFIN:

Are you striking out the words "federally recognized?"

MR. ABNEY:

That is correct. Current federal recognition of military officers goes to age 64 but is waivable by the President on a case-by-case basis. There are other states allowing an adjutant general to be over 64 years of age.

SENATOR COFFIN:

The waivable language has been abused in recent years. To serve at the pleasure of the Governor makes the position another political figure.

MR. ABNEY:

The object is to have consistency within the cabinet. The amendment takes politics out of the equation by allowing future Governors to appoint their own adjutant general.

SENATOR COFFIN:

You do not dispute the appointment would be political. This is a position and institution too important to be headed by a person who is a follower, crony, contributor or some person vetted by the party professionals, Democrat or Republican.

MR. ABNEY:

We believe the Governor, as Commander in Chief, should be able to choose his own adjutant general.

SENATOR BEERS:

Who appoints the head of the Navy?

MR. ABNEY:

The President.

SENATOR BEERS:

Who appoints the members of the Joint Chiefs of Staff?

MR. ABNEY:

The President.

SENATOR BEERS:

How many states allow the governor to appoint the adjutant general?

MR. ABNEY:

Thirty-four out of fifty states have the adjutant general serve at the pleasure of the governor.

MAJOR GENERAL (RETIRED) GILES VANDERHOOF:

I am a previous adjutant general of Nevada and a previous commander of the Air National Guard in Nevada. I do not look at this amendment as a technical change. I see it as one of the most harmful proposals ever made regarding the National Guard in Nevada. It is probably true about 70 percent of the states allow the adjutant general to serve at the pleasure of the governor. I can tell you, from my years in the service, I have seen exactly what Senator Coffin is talking about where junior officers know they will be appointed by a governor from a certain party and align themselves with the party, work with the party and are part of the platform of the incoming governor and not necessarily because the person is the best qualified. Nevada has stood above the rest. Federal recognition is the most serious part of the amendment. Briefly, federal recognition means a person has had to pass all of the same gates and requirements active-duty officers and enlisted people must pass. You have to have the same civilian education, the same military education and serve in command assignments as one goes further up the line. If the federal recognition is removed, a lieutenant colonel, out of the Nevada National Guard in 1975, could become the adjutant general today. I have seen a few states allow for this. There was a nearly 80-year-old man serving as adjutant general in one of the states who was the laughingstock of the nation. The active forces paid no attention to him because he had no credibility. He had many problems in his home state. The federal recognition is the most serious part of the amendment. Waiving the age does not apply only to the adjutant general. Do we want to have over 60-year-old people enlisting and officers going into combat?

I have provided the Committee with a handout with statutory information ([Exhibit D](#)). One of the statements in favor of this amendment was to establish the right chain of command. The *Nevada Revised Statutes* (NRS) 412.034 states the Governor is the Commander in Chief of the militia and may issue regulations; NRS 412.042 states the military staff of the Governor consists of the adjutant general; NRS 412.048 states the adjutant general shall serve as the chief of staff to the Governor and director of the Office of the Military and is responsible, under the direction of the Governor. My purpose in providing you with this information is to show we have a chain of command from the Governor. It is true the President does appoint the chiefs of the services and the Chairman of the Joint Chiefs and they all serve for a term.

On page 2 of [Exhibit D](#), NRS 412.052 shows a direct connection between the Governor and the adjutant general and NRS 412.064 states the Office of the Military is established under the direction of the Governor.

Pages 3 of Exhibit D, NRS 412.068 states the duties are prescribed by the Governor; NRS 412.112 states "No person may be a member of the Nevada Army National Guard who is not federally recognized as such" and NRS 412.114 states the same for the Air National Guard. Finally, NRS 412.116 requires the Nevada National Guard be organized, armed, disciplined, governed, administered and trained as prescribed by federal law and regulation.

All of this is, of course, because we have a dual mission. The Guard does not only respond to State emergencies. We are supposed to be ready and available

to be called to active duty. The average age of a guardsman is older than those on active duty. We have performed well in Iraq and Afghanistan. If we raise the ages, we are in jeopardy of losing credibility and the ability to respond to emergency situations requiring tremendous effort. If we were to take the federal recognition away, so many possibilities are opened. From my own experience, the adjutant general of Nevada may have authority in Nevada, but will not have credibility and authority nationally working with the federal and other adjutants general. Major General Tony Clark and Major General Mike Gullihur both wanted to be here today and agree with what I am saying. If it would not have been inappropriate for a current Guard member to come forward and testify against something the commander in chief proposes, I could have lined up well over 500 people to stand before you. Do not accept this amendment to what is a decent bill.

CHAIR RAGGIO:

Presently, the Governor appoints the adjutant general for a fixed four-year term. Can that person be removed for cause?

MAJOR GENERAL VANDERHOOF:

Yes, he can; but only for cause.

CHAIR RAGGIO:

When does the current adjutant general's term expire?

MAJOR GENERAL VANDERHOOF:

The current term expires in June 2009.

CHAIR RAGGIO:

At that time, the Governor can appoint a new adjutant general. What are the restrictions or limitations on a person appointed?

MAJOR GENERAL VANDERHOOF:

After the term expires, the Governor may appoint a person whose age does not exceed 64 years of age.

CHAIR RAGGIO:

Is the adjutant general required to retire at 64 or is the requirement one cannot be appointed at age 64 or over?

MAJOR GENERAL VANDERHOOF:

I retired one week before turning 64 because of this age limitation. The federal recognition requirement is from 17 up to 64 years of age.

CHAIR RAGGIO:

Are there other requirements? Do they need to be a member of the Guard?

MAJOR GENERAL VANDERHOOF:

The person must have six years in the Nevada National Guard and be a minimum of a lieutenant colonel.

CHAIR RAGGIO:

Does the person have to be a member of the National Guard at the time of the appointment?

MAJOR GENERAL VANDERHOOF:

No; that requirement was removed in the 73rd Legislative Session.

MAJOR GENERAL (RETIRED) STEVE VONDERHEIDE:

I support General Vanderhoof's testimony. The exclusion of the age requirement leads to federal nonrecognition. Federal recognition is the basis for all promotions and all credibility for any officer in the military. When you lose federal recognition, it is not just a credibility factor. I cannot understand how a nonfederally recognized uniform-wearing officer can command federally recognized officers who are subordinates. I do not think it can happen.

MR. ABNEY:

I do not know the details of how federal recognition works other than if anyone is over the age of 64, federal recognition can be granted on a case-by-case basis. The Governor does not believe once a person reaches age 64 they are no longer capable of being an adjutant general.

SENATOR TITUS:

I appreciate the Governor's interest and his background. At a time like this, when our men and women from the National Guard are on the front lines and participating in the war against terrorism, we would be well advised to listen to the military recommendations. I see a dangerous trend coming out of the Office of the Governor. He wants to appoint the adjutant general and fire at will. There is a push for the National Guard ChalleNGe Program, a feeder program for the National Guard; he wants his own fusion center and an increased cadre of paramilitary personal bodyguards. Next he will want a war czar in the cabinet. That National Guard is not supposed to be political. They are there to protect us at home in an emergency and now they are in the battlefield. We should listen to the military.

SENATOR BEERS:

How long has the 64-year-old age limit been in the federal system? In 2007, 64 is a lot different than 64 was in 1957.

MAJOR GENERAL VANDERHOOF:

The amendment is not just for the adjutant general; it is for anybody in the National Guard. The 64 age requirement has been there at least 30 years. I know of two states with somebody beyond that age; they are in a retired status. For every grade to which any officer is promoted, starting with lieutenant colonel, they do not just pass the state promotion board, they have to go through the applicable military board to ensure everyone meets the same qualifications as those on active duty. Under this amendment, a lieutenant colonel out of the service in 1970 could be appointed an adjutant general.

CHAIR RAGGIO:

We will close the hearing on S.B. 250. The Committee will open the hearing on S.B. 572. Is there a federal grant available to the Lear Theatre?

SENATE BILL 572: Extends the reversion date of a transfer of room tax proceeds required by the previous legislative session for the restoration and preservation of the exterior of the Lear Theater. (BDR S-1517)

DAN ROSENBLATT (Executive Director, Lear Theater):

The Lear Theatre received a Save America's Treasures grant. We have received permission from the National Park Service to have the grant extended for two more years. Because part of this bill is matching funds for the grant, we are requesting an extension of the reversion date to September 18, 2009.

SENATOR MATHEWS:

Does this bill simply extend the date for funds granted last Session?

CHAIR RAGGIO:

The extension date in this bill will be the same as the federal grant which has been extended.

SENATOR MATHEWS:

I understand the Lear Theatre has not taken advantage of the donations and other funds received. There are plans to move the Lear Theatre. I am concerned the funds have been donated for a building at a particular site. Under these conditions, do we want to continue to support the Theatre?

MR. ROSENBLATT:

The Theatre is exploring many options. The project has been going on for ten years; I have been with it for two years. The costs have escalated dramatically. One of the options being explored is selling the land owned. If we are able to sell the land for \$16 million, it will allow us to have a large endowment plus complete the renovation of the building. We are talking about moving the building less than 500 feet. It is an option we are exploring; there have been no final decisions.

Some of the money has been spent. We did lead abatement on the exterior and repainted it. We are in the process of replacing the exterior doors which have deteriorated.

SENATOR RAGGIO:

This is an historic building. The architect is a noted African American. There is no intention to destroy the building.

MR. ROSENBLATT:

Mr. Paul Williams was the building's architect. There is no intent to destroy the building. Before the building can be moved, we must have the approval of the under the State Historic Preservation Office (SHPO) and the National Park Service (NPS) standards.

SENATOR MATHEWS:

Reno is not Las Vegas where things are blown up to build something new. We want to keep a little State history. I do not know why the ground the building is sitting on is not sacred.

MR. ROSENBLATT:

That is why this is an option we are exploring. If we make that decision, it would be done carefully with all parties involved both from a board standpoint, SHPO and NPS. The goal needs to be not just the building, but getting the project completed and delivering a performing arts center to Reno.

SENATOR MATHEWS:

My concern is the building. It is the only building of note in Reno with a person of color as architect. The building is a fine structure. I had a problem with the interior changes. Now I am concerned your primary interest is a theatre not the building.

MR. ROSENBLATT:

I will call Senator Mathews' office and arrange a time to provide her with information on the plans for the building and all of the options being explored.

SENATOR RAGGIO:

There is no intent to destroy the building. The intention is to preserve it. It cannot be preserved as a church. The intent is to preserve the building and turn it into a theatre as Moya Lear envisioned.

MR. ROSENBLATT:

Currently, we do not have an occupancy permit due to the lack of facilities inside the building.

SENATOR MATHEWS:

I thought some of the fund raisers were to take care of the inside of the building.

SENATOR RAGGIO:

If we do not approve S.B. 572, the building is going to deteriorate.

SENATOR TITUS:

Is this building going to be moved around town?

MR. ROSENBLATT:

No, this will not be another Lake Mansion.

SENATOR RAGGIO:

The hearing on S.B. 572 is closed. The Committee will hear Assembly Bill (A.B.) 202.

ASSEMBLY BILL 202 (1st Reprint): Makes an appropriation to the State Gaming Control Board for implementation of security measures and replacement of equipment. (BDR S-1220)

DENNIS K. NEILANDER (Chair, State Gaming Control Board):

This bill addresses four areas: countermeasures, information technology replacement equipment and new equipment and radios. This Assembly bill includes an amount lower than what was originally proposed due to a misunderstanding regarding the replacement cycle the Department of Information Technology (DoIT) recommends. The Senate staff has indicated it will support an amendment to increase the total to \$943,904 as indicated in "Assembly Bill 202" ([Exhibit E](#)).

MR. GHIGGERI:

Staff supports the increase requested.

SENATOR CEGAVSKE:

What type of radios are included in the request and who uses them?

MR. NEILANDER:

The radios are for the Enforcement Division and address officer-safety issues. The Enforcement Division does the day-to-day on-site enforcement of gaming regulations. The individuals are peace officers in the casinos on a full-time basis. The radios work with the Southern Nevada Area Communications Council system. The radios we use now do not always work inside a casino. We are using a Nextel system.

SENATOR CEGAVSKE:

How would cell phones or radios work? Is there a security issue?

MR. NEILANDER:

Other law enforcement agencies within the area are using the requested system. This will allow direct communication.

SENATOR CEGAVSKE:

Are there times you need to call the police to handle an issue? Do the casinos do that or do they have their own security?

MR. NEILANDER:

The casinos have their own security. We are in constant communication and work with the Metropolitan Police Sheriff and the Federal Bureau of Investigation on a number of issues when we are on site. We exchanged some of the old radios for new ones. We could not get enough to fully equip our staff.

CHAIR RAGGIO:

We will close the hearing on A.B. 202. The Committee will hear A.B. 608.

ASSEMBLY BILL 608 (1st Reprint): Makes supplemental appropriations to the Department of Business and Industry. (BDR S-1259)

MENDY K. ELLIOTT (Director, Department of Business and Industry):

The Department has two stale claims: \$17,725 for a PC/LAN technician and Silvernet services owed to the DoIT and \$2,869 for a telephone billing problem. A terminal leave of \$9,446 was not included in the budget.

CHAIR RAGGIO:

Have these amounts been reviewed by staff?

MS. ELLIOTT:

Yes, they have.

CHAIR RAGGIO:

Does staff have any objections to the revised amounts?

MR. GHIGGERI:

No, we do not.

CHAIR RAGGIO:

The hearing on A.B. 608 is closed. The Committee will hear A.B. 618.

ASSEMBLY BILL 618: Makes a contingent appropriation to the Tahoe Regional Planning Agency for replacement of vehicles. (BDR S-1222)

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JIM FEENEY (Finance Director, Tahoe Regional Planning Agency):

This is a bill for one-time appropriations subject to matching funds from the State of California to replace eight of the older high-mileage fleet vehicles.

CHAIR RAGGIO:

What is the amount of the appropriation? What is the mileage on the vehicles and what type of vehicles are they?

MR. FEENEY:

The request is \$79,763. The mileage ranges from 68,000 to 154,000 miles. There are four 1991 Toyota 4Runners; a 1994 Chevrolet Suburban, two 2000 Jeep Cherokees and a 2000 Subaru Legacy.

CHAIR RAGGIO:

Does this request represent one-third of the cost? Traditionally there has been a one-third, two-thirds sharing between the two states on this type of equipment.

MR. FEENEY:

Yes, that is correct. This funding is subject to California's appropriation.

CHAIR RAGGIO:

Has California made an appropriation for this purpose?

MR. FEENEY:

California is on an annual budget cycle so we have not yet asked for the appropriation. We will make the request during their 2009 budget year.

CHAIR RAGGIO:

Does staff have concerns with this request?

MR. GHIGGERI:

No, we do not.

CHAIR RAGGIO:

We will close the hearing on A.B. 618. The Committee will hear S.B. 250, the appropriation for the adjutant general's office. Staff has indicated there is no problem with the amounts.

SENATOR COFFIN MOVED TO DO PASS S.B. 250.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

Senate Bill 571, the White Pine County appropriation, is in the budget. Staff has recommended an amendment.

MR. GHIGGERI:

Please refer to section 1 subsection, 1 which states: "There is hereby appropriated from the State General Fund to the Interim Finance Committee for distribution in Fiscal Year 2008 ... "; however, subsection 2 indicates the

money cannot be allocated until White Pine County has matching funds. Staff recommends the language indicating fiscal year (FY) 2007-2008 be stricken because White Pine County may not be able to raise the matching funds until FY 2008-2009.

SENATOR RHOADS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 571 BY STRIKING THE REFERENCE TO FISCAL YEAR 2008.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee will now consider S.B. 572, for the restoration and preservation of the Lear Theatre.

SENATOR TITUS MOVED TO DO PASS S.B. 572.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee will consider A.B. 202 which has an amendment for the amount requested.

MR. GHIGGERI:

The amount on line 3 should be increased from \$748,622 to \$943,904.

SENATOR TITUS MOVED TO AMEND AND DO PASS AS AMENDED A.B. 202 TO CHANGE THE AMOUNT ON LINE 3 FROM \$748,622 TO \$943,904.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee can consider A.B. 608.

SENATOR CEGAVSKE MOVED TO DO PASS A.B. 608.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will hold A.B. 618 until Education First is passed. The Committee will now hear S.B. 555 which is an appropriation to the Department of Public Safety. The Committee heard this bill April 29, 2007.

SENATE BILL 555: Makes appropriations to the Department of Public Safety.
(BDR S-1266)

MARK KRMPOTIC (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Based upon information obtained from the Department of Public Safety, staff is recommending an amendment to S.B. 555 for amounts appropriated to each of the various divisions as indicated on Exhibit F.

The appropriation to the Investigation Division in the amount of \$330,022 in General Funds should be decreased to \$300,525 related to price reduction for computers and a change in the type of vehicles purchased from one-ton pickups to three-quarter-ton pickups.

The appropriation to the Division of Emergency Management in the amount of \$75,371 could be reduced to \$66,740 based upon price reductions and the federal share of funding which can be applied to the purchase.

The appropriation for the State Fire Marshal Division is \$264,981 in General Funds. Staff recommends a reduction to \$222,551 related to price decreases in computer equipment and a change in the type of pickup trucks from one-ton pickups to three-quarter-ton pickups.

The appropriation for the Division of Parole and Probation of \$420,432 could be decreased to \$381,672 related to price reductions for desktop computers.

The appropriation for the State Board of Parole Commissioners of \$96,076 could be decreased to \$89,771 related to price reductions for computers.

The funding for the Training Division is allocated between General Funds and Highway Funds based upon the types of officers trained by the Department of Public Safety's Training Division. Highway Fund appropriations are covered under section 2 of the bill. Staff recommends two changes: price changes related to hardware and software and an adjustment made to the allocation of funding based on projected levels of Parole and Probation and Highway Patrol cadets to be trained. Staff recommends an increase in the allocation of General Funds to fund replacement equipment from the 10-percent level recommended in the bill to 40 percent of total funding. That would result in an increase in General Funds from \$6,715 to \$24,921. The Highway Fund portion would be reduced from \$60,435 to \$37,381.

Under section 2, subsection 1, the Committee will note a significant reduction for the Highway Patrol to replace vehicles and other types of equipment used by the patrol, as indicated in Exhibit F, from \$15,177,322 to \$12,633,597. In reviewing this request with the Highway Patrol, staff noted a number of duplicate equipment items such as portable and mobile radios, radar units and an aircraft engine overhaul which was included in both the budget and a one-shot request. Staff also made adjustments for decreases in computer hardware and software costs.

Staff suggests some modification in the language included in the bill to accurately clarify the type of equipment to be purchased by the Department. For the Division of Emergency Management, line 9, page 1 of the bill indicates software, ID cards and door locks; staff recommends changing "door locks" to "door lock system." The Parole and Probation Division, lines 1 and 2 of page 2, states worn and damaged office furniture and file cabinets, outdated or nonfunctional equipment and 114 computers; staff recommends deleting lines 1 and 2 on page 2 and the appropriation be provided for 114 computers in each year of the biennium. In section 2, line 17, after the 300 new and replacement vehicles, staff recommends inserting "and related equipment."

CHAIR RAGGIO:

Was there any change in the amount in section 2, subsection 3, which indicates \$29,941?

MR. KRMPOTIC:

There is no change in that amount.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 555 AS RECOMMENDED BY STAFF AND INDICATED IN [EXHIBIT F](#).

SENATOR COFFIN SECONDED THE MOTION.

SENATOR TITUS:

Are there any allocations from the General Fund or Highway Fund in this bill which differ from the norm?

MR. KRMPOTIC:

These amounts are standard. The Committee does not usually see the Highway Fund appropriations included in the one-shots for the Highway Patrol; they are usually in the budgets for the Highway Patrol. The replacement equipment needs are significant. With respect to the other divisions, staff did not notice anything unusual in terms of the amounts requested or the types of items requested.

CHAIR RAGGIO:

I understand you and Mr. Rick Combs, Fiscal Analysis Division, worked with the Department. Are there any serious objections from the Department on these adjustments?

MR. KRMPOTIC:

No, there are not.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee heard S.B. 189 on March 28, 2007. The appropriation for this bill is included in the *Executive Budget*.

[SENATE BILL 189](#): Makes an appropriation to the Department of Wildlife for the implementation of sagebrush habitat projects. (BDR S-1224)

MR. GHIGGERI:

Mr. Eric King, Fiscal Analysis Division, has been working with the Department of Wildlife on this issue. They have determined there is no detailed plan on this issue. The Committee has received suggested language for an amendment ([Exhibit G](#)). Staff recommends the bill be amended to reflect this language. The funds would be appropriated to the Interim Finance Committee for allocation to the Department of Wildlife for the same purposes recommended by the Governor. However, the funds will not be released until a detailed plan with cost estimates referencing the specific sagebrush habitat projects is provided.

CHAIR RAGGIO:

I want to read into the record what is being suggested.

Funds appropriated pursuant to section 1, \$200,800, may only be allocated by the Interim Finance Committee upon submittal by the Department of a detailed plan with cost estimates referencing the specific sagebrush habitat projects identified in the state and local sage grouse conservation plans that will be implemented and upon approval of the State Board of Examiners and the Interim Finance Committee. Funds appropriated pursuant to section 1 are only to be used to satisfy the matching funds requirement for Federal Aid in Wildlife Restoration funding to implement the identified sagebrush habitat projects.

Is this agreeable to the Committee?

SENATOR RHOADS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 189 TO APPROPRIATE THE REQUESTED FUNDS TO THE INTERIM FINANCE COMMITTEE FOR DISTRIBUTION TO THE DEPARTMENT OF WILDLIFE AS INDICATED BY STAFF IN [EXHIBIT G](#).

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee held hearings on two bills: S.B. 321 and S.B. 501. Both of these bills have a small fiscal impact. However, there is always a potential for serving as precedent. There are other efforts being made for exemptions which could affect revenues. The Chair would entertain a motion on these two bills which would provide such an exemption be effective only on July 1, 2009. That would be appropriate since there is a small fiscal impact but would have no impact on the 2007-2009 biennium.

SENATE BILL 321 (1st Reprint): Provides certain economic incentives for certain motion picture companies. (BDR 18-1182)

SENATE BILL 501 (1st Reprint): Makes various changes to provisions relating to taxation and nonprofit entities that provide emergency medical services. (BDR 32-1406)

SENATOR COFFIN MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 321 TO CHANGE THE EFFECTIVE DATE TO JULY 1, 2009.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. GHIGGERI:

There is confusion in S.B. 501 concerning the antique fire truck provision. I have a mock-up amendment to address that issue. The amendment provides a better definition of ambulance and air ambulance.

SENATOR RAGGIO:

The amendment would read "ambulances as defined in NRS 450B.040 owned and operated by a nonprofit organization which is created for religious, charitable or educational purposes and which holds a permit to own or operate ambulances pursuant to Chapter 450B of NRS."

SENATOR RHOADS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 501 TO CHANGE THE EFFECTIVE DATE TO JULY 1, 2009 AND TO
INCLUDE THE DEFINITION OF AMBULANCES AS REQUESTED BY
STAFF.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

The Committee heard A.B. 273 on May 19, 2007.

ASSEMBLY BILL 273 (1st Reprint): Makes an appropriation to the Department of Health and Human Services for computer software and hardware and other equipment. (BDR S-1214)

MR. GHIGGERI:

Staff recommends the appropriation amount be reduced from \$63,447 to \$52,748. The Committee could act on the bill, but the Legislature cannot act at this time.

SENATOR RHOADS MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 273 TO CHANGE THE APPROPRIATED SUM FROM \$63,447 TO
\$52,748.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

Is there an answer to Senator Cegavske's question regarding S.B. 184?

SENATOR CEGAVSKE:

I talked with Ms. Carol Stonefield, Research Division, Legislative Counsel Bureau, who explained the rationale of the amendment.

SENATOR MATHEWS MOVED TO CONCUR WITH ASSEMBLY AMENDMENT 821 TO S.B. 184.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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The Committee heard S.B. 380 on May 14, 2007. Is there a request to add funds to this bill?

SENATE BILL 380 (1st Reprint): Makes various changes concerning defendants in criminal actions. (BDR 14-279)

MR. GHIGGERI:

I have a memo from Mr. Michael Chapman, Fiscal Analysis Division, Legislative Counsel Bureau. Information provided by the Division of Mental Health and Developmental Services of the Department of Health and Human Services indicates the fiscal impact, if this legislation is implemented, would be \$138,607 in FY 2007-2008 and \$133,747 in FY 2008-2009. That amount would support a full-time psychiatric caseworker for the south and a 0.51 full-time equivalent psychiatric caseworker position in the north as well as operating costs for two compact vehicles, computer hardware and software, training, medication and utilities.

CHAIR RAGGIO:

What is the total amount to be provided?

MR. GHIGGERI:

The total amount is approximately \$271,000 over the biennium.

SENATOR COFFIN MOVED TO AMEND AND DO PASS S.B. 380 TO INCLUDE THE APPROPRIATE FUNDING OF \$138,607 IN FY 2007-2008 AND \$133,747 IN FY 2008-2009.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:
There being no further business to come before the Committee at this time, we
are adjourned at 10:26 a.m.

RESPECTFULLY SUBMITTED:

Sandra K. Small,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____