

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session
May 26, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 11:19 a.m. on Saturday, May 26, 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

STAFF MEMBERS PRESENT:

Bob Atkinson, Senior Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Anne Vorderbruggen, Committee Secretary

OTHERS PRESENT:

Roger K. Maillard, American Federation of State, County and Municipal Employees Retiree Chapter No. 4041
James T. Richardson, J.D., Ph.D., Nevada Faculty Alliance
Terry Hickman, Nevada State Education Association
Martin Bibb, Retired Public Employees of Nevada
Rose E. McKinney-James, Clark County School District
Michael R. Alastuey, Nevada Association of School Superintendents
Leslie A. Johnstone, Executive Officer, Public Employees' Benefits Program

CHAIR RAGGIO:

The Assembly Committee on Judiciary has sent two bills back to our Committee with amendments. In both cases, I will recommend the Committee not concur. The first is Senate Bill (S.B.) 131 which was first heard in this Committee on April 25, 2007.

SENATE BILL 131 (3rd Reprint): Makes various changes regarding certain court fees charged by county clerks. (BDR 2-385)

In Amendment 964, the Assembly Committee on Judiciary removed the proposed fee increases. The bill has a provision for an additional fee of \$5 that may be charged by the county clerks. This is more of a policy matter, and I suggest we not concur, and let the Senate Committee on Judiciary review the bill and make a decision on it.

SENATOR BEERS MOVED TO NOT CONCUR WITH AMENDMENT 964
TO S.B. 131.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

Senate Bill 314 dealt with residential facilities for older persons. It was recommended for do pass in this Committee on April 25, 2007, when we were informed that any fiscal note had been removed.

SENATE BILL 314 (2nd Reprint): Requires the provision of information concerning services that are provided at certain residential facilities. (BDR 40-1169)

The Assembly Committee on Health and Human Services has amended the bill to broaden it from residential facilities to a number of other facilities. This bill was heard in the Senate Committee on Human Resources and Education. It is more a matter of policy and I would suggest we not concur and let the Senate Committee on Human Resources and Education make a recommendation.

SENATOR TITUS MOVED TO NOT CONCUR WITH AMENDMENT 860 TO S.B. 314.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

Senate Bill 544 was heard in this Committee on April 8, 2007. At that time, we discussed potential amendments, and Senators Beers and Coffin were assigned as a subcommittee to review the proposals.

SENATE BILL 544: Makes various changes relating to the Public Employees' Benefits Program. (BDR 23-126)

SENATOR BEERS:

This legislation was brought on behalf of the Legislative Commission's Committee to Study the Public Employees' Benefits Program (PEBP). Senator Coffin and I held a subcommittee meeting which was attended by interested parties who offered testimony. The mockup provided to the Committee (Exhibit C) contains a number of proposed amendments to S.B. 544.

A significant proposed change in the bill is to retain the existing statutes creating the PEBP Board with no changes. There had been some discussion about a number of changes in the composition of the Board. On pages 4 and 5 of Exhibit C, there are notes in the margin describing what was discussed. The Subcommittee came to the conclusion that, because things were going fairly well lately, we would not implement those changes in the Board. The one change the Subcommittee proposed is on page 6 of Exhibit C where we reinstated that the Governor shall designate a chairman from among the

members of the Board. At the bottom of page 6 of [Exhibit C](#), the bill gives the Board the ability to set up advisory committees.

On page 7 of [Exhibit C](#) is an amendment suggested by PEBP regarding the Health Insurance for the Aged Act. This gives the PEBP Board the ability to design a program built around Medicare-eligible retirees. Beginning in 1987, the State put all new employees on Medicare. As their employer, the State pays approximately 1.5 percent, and 1.5 percent is taken out of their paychecks. In that manner, a significant amount of retiree health care is prefunded. The plan is to develop a Medicare-supplement program to fill in the existing gaps in Medicare and offer Medicare-eligible employees a much less-expensive alternative which covers the things Medicare does not cover.

BOB ATKINSON (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The amendments on page 7 of [Exhibit C](#) would allow the PEBP Board to create a cafeteria plan for the Medicare retirees so they could pick and choose which benefits they wanted in addition to Medicare. That was in the original language of the bill. The amendment suggested by PEBP would make it clear the plan is to be rated separately because of the problem we previously had with the definition of commingling. As long as it was in statute, it would be difficult to carve out this plan, unless they had specific authorization to rate a cafeteria plan separately. The suggested amendments would require them to offer a cafeteria plan to Medicare participants and allow them to offer it to other participants.

SENATOR BEERS:

Something the Legislature will eventually need to discuss is having different subsidy levels for Medicare-eligible retirees and non-Medicare-eligible retirees.

On page 8 of [Exhibit C](#) is an amendment primarily suggested by the Clark County emergency-service providers who have developed and maintain their own plans. They would prefer not to participate in our plan.

The proposed changes on page 9 of [Exhibit C](#) are designed so the PEBP reports are created for external reporting in such a manner the information and reports they currently produce could be used. This would save work in trying to comply with slight changes from what they are already doing.

The Subcommittee decided the current oversight from the Board is adequate and the change proposed on page 10 of [Exhibit C](#) is not needed.

The Subcommittee discussed the ongoing dispute between the Las Vegas Metropolitan Police Department (Metro) and the State regarding a disagreement over if and how much subsidy money should change hands. The State maintains there is a significant debt which Metro refuses to pay. The language on page 13 of [Exhibit C](#) is designed to address those kinds of cases by adding a due-process hearing to the review of delinquencies.

MR. ATKINSON:

The amendment suggested by Metro inserted the language in grey on page 13 of [Exhibit C](#). We have been advised by the Legal Division that *Nevada Revised Statutes* (NRS) 233B is not appropriate for that kind of hearing. As the language is currently written, if an entity were not paying its bill to PEBP for its subsidies,

they would defer to the Committee on Local Government Finance through the Department of Taxation. The entity would have to appear before the Committee on Local Government Finance. The Metro suggested one additional hearing beyond that. The Legal Division has indicated they could find something appropriate if the Committee thought the additional hearing was needed.

The Subcommittee felt a due-process hearing was being held by the Committee on Local Government Finance. If they found the entity owed the money to PEBP, they would direct the Department of Taxation to withhold that money from their tax distributions.

SENATOR BEERS:

One of the key provisions of this bill would be what we call the all-in or all-out provision. This would provide that retirees cannot come to the State health plan unless they were covered by the plan when they were active employees. If we are going to continue to be a vehicle for retirement insurance for public employees, those local governments would have to come into our plan and be full participants rather than just send us the higher-costing individuals who are retired.

As the bill was originally written, it would have had an effective date of July 1, 2007. We realized that was a problem because teachers' contracts run from October to October. With an effective date of July 1, 2007, teachers who would be retiring at the end of this school year would be excluded from this plan because their effective retirement date would not be until October.

Some local governments amended the terms of their plan to become hostile to retirees after the State opened the door to their retirees. We want to extend the date and give everyone notice so people who are contemplating retirement will have this option and be grandfathered in. This will be sufficient notice for local governments and school districts to change their plans back to the way they were prior to 2003 when the State opened the door.

CHAIR RAGGIO:

Are the participants grandfathered in?

SENATOR BEERS:

Yes. If they are currently in our plan, they are grandfathered in.

A policy decision for the Committee is whether or not to accommodate people who are contemplating retiring at the end of the current school year, as well as whether or not to extend the date for one additional year. The subsidy for the premium is in the budget for the next two years so there would be no fiscal impact.

MR. ATKINSON:

The subsidy currently built into the Distributive School Account (DSA) is for the participants who are in the program and those who are anticipated to join.

SENATOR BEERS:

Is there anything in the DSA for people who might retire?

MR. ATKINSON:

Growth is built into the DSA for those who are anticipated to retire.

SENATOR BEERS:

Setting the effective date at some point in the future may accelerate the growth rate.

MR. ATKINSON:

It could. We discussed a couple of things related to that issue. A premium holiday this July will save all of the districts one month of the subsidy. Second, if there is a large surge in retirees, it would seem logical those would be long-term employees who would be replaced with new people with lower salaries. There would be some salary savings that would cover any surge in the necessary subsidy contributions.

SENATOR BEERS:

As an unintended consequence, we may be creating an acceleration in retirements for our most experienced teachers throughout the State. If the Legislature processed legislation requiring school districts to subsidize employee retirement health-care costs, that would remove the incentive to accelerate their retirement, but there would also be a cost. The DSA involves a sharing of school district costs between local and state taxation sources.

SENATOR BEERS:

At the bottom of page 14 of [Exhibit C](#) is a proposed definition of commingling. The PEBP would like that defined in statute because there has been significant trouble in the past over what the term means. The proposal to omit the language on the last page of [Exhibit C](#) would remove the right for local government employees to come into PEBP when they retire if they were not participants in PEBP as active employees.

MR. ATKINSON:

There are changes to the effective dates in section 16 on page 14 of [Exhibit C](#). The provision that would require PEBP to offer a cafeteria plan for the Medicare participants could not be implemented July 1, 2007, and we have proposed that date be July 1, 2008.

As Senator Beers pointed out, one of the dates the Committee has to decide is when to make the all-in or all-out provision effective. With regard to the possibility of the additional subsidy being shared by local and State sources in the DSA, all of the local support sources are spent each year to support the budget. Any additional expenses become 100-percent General Funds.

SENATOR COFFIN:

The Subcommittee had one hearing, after which a draft was produced. There was no time to have meetings, so we were responding to e-mails and conversations. Most of the people at this meeting have not seen this proposed amendment until this morning. Senator Beers has done a good job of explaining the proposal and I would be more comfortable if some of the interested people were allowed to address the Committee about any reservations they may have.

MR. ATKINSON:

There were two significant items I did not see a consensus on during the Subcommittee hearing. Other than that, everything is incorporated into this

proposed amendment. One of these items is the suggestion that A.B. 324 be amended. Assembly Bill 324 calls for subsidizing all the retirees from school districts no matter what plan they are in.

ASSEMBLY BILL 324: Expands eligibility for a subsidy for the costs of health insurance coverage to additional retirees of school districts.
(BDR 23-1152)

The second item is there was discussion about adding expertise to the PEBP Board. Because we were not changing the composition of the Board, I did not incorporate anything new on expertise for the Board. Beginning on page 4 of Exhibit C, I have noted the expertise currently required in statute for the PEBP Board. One member must be a State employee in a managerial capacity, have experience in risk management, portfolio investment and benefits. Two members must have experience in risk management, portfolio investment and benefits. One member is required to have an advanced degree in business administration, economics, accounting, insurance, risk management or health-care administration. Two members must have education or experience in benefits, insurance and risk management and health-care administration or business administration. If the Board members were all appointed in this manner, six of the nine members would be required to have experience along those lines. There is nothing in the statute which says one person cannot fill more than one of those slots. I did not incorporate any changes in relation to the Board membership. Other than that, the things that appeared to have consensus in the Subcommittee hearing have been incorporated into this amendment.

SENATOR BEERS:

At this time, I would like to hear brief statements from interested parties in the audience regarding whether or not they support the proposed amendments.

ROGER K. MAILLARD (American Federation of State, County and Municipal Employees Retiree Chapter No. 4041):

I support the proposed amendments to this bill.

JAMES T. RICHARDSON, J.D., Ph.D. (Nevada Faculty Alliance):

I have followed this bill closely. I appreciate the work the Subcommittee has done and I support all of the amendments. The issue of all-in or all-out will need some discussion. We support the amendments that are proposed and we can live with either date. Changing the date to allow people who are retiring this year to participate is necessary and we would have no objection to the second year. This is a big change and people need time to react to it.

SENATOR BEERS:

Is there consensus on this Committee on all-in or all-out?

SENATOR TITUS:

Does that mean if you get our retirees, you also must get our active employees?

SENATOR BEERS:

A number of local governments have chosen to make the State their health plan for all of their employees and we have their active employees and their retirees. In 2003, the Legislature set up a system where the State could take the retirees from entities that did not have their active employees with the State plan.

SENATOR TITUS:

Why did we do that?

SENATOR BEERS:

I do not know the answer to that question. If local governments are going to have the State as their retirement plan, they would have to bring their active employees to the State, as well.

SENATOR TITUS:

Would that result in premiums increasing or decreasing?

SENATOR BEERS:

It would increase the pool of employees to whom the health benefits are offered and allow us to mix the risk of the younger, healthier group of active employees with the older group.

SENATOR TITUS:

Have we determined whether we are going to request a subsidy from the local governments?

CHAIR BEERS:

We have not. That is not addressed in this bill.

SENATOR RHOADS:

Which option would cost the State the most money?

SENATOR BEERS:

The option of having only the retirees would cost the State the most money. That is what we are seeking to stop. We want to maintain the ability of the State to provide a plan to small local governments that do not have the critical mass to be able to put a plan together for themselves, but we believe it was a mistake to open this up to take only retirees.

SENATOR COFFIN:

We have to think of the people out there in three segments: State employee and retiree, education employee and retiree, and local government employee and retiree. They are all different and all subject to different bargaining terms. Some of them bargain and some do not. In the case of teachers, we have to pay whether they are in or out of the State plan. The State is part of the Beech Street network which allows participants to be treated all over the country. That is an enticement to come into the State plan. We have to allow for bargaining to occur at the local level.

SENATOR BEERS:

I would like to avoid a lot of testimony about the concept of all-in or all-out if the Committee has a majority of members who believe that is the direction the State needs to go.

CHAIR RAGGIO:

I do not see an alternative if you are going to save this situation from going into continually higher-funding obligations for the State. You cannot expect the State to take all of the higher-risk people. In fairness, it is obvious that if you are going to be participating in the plan, it should be all or nothing. I do not think there is a serious option to that.

SENATOR COFFIN:

The existing contracts that have been bargained stand in the way of an easy movement in that direction.

CHAIR RAGGIO:

I do not disagree. If that is the policy, they have to bargain with that limitation or that requirement.

SENATOR COFFIN:

I would support the all-in or all-out if we can give them time to negotiate their contracts. This would allow them time to go out and find out how expensive the health plan is for which the State has been paying.

CHAIR RAGGIO:

Senator Coffin's issue is the timing because certain collective bargaining needs to take place. My comment is that once the policy is set, they have to bargain with that in mind. I do not think you are impeding contracts.

SENATOR BEERS:

This is a function of plan documents as well as contract bargaining. The plan administrators can make changes to their plans. The effective date I would advocate is the end of October in two years. This would allow us to pick up the current group of retiring teachers and the group that will be retiring at the end of the next school year. That would give the districts two cycles' notice that this change will be taking place, and we are relying on them to work with their employees and management to accommodate the change.

SENATOR TITUS:

If you do not make it mandatory that the local governments pay a subsidy for retirees with the all-in or all-out, would they pay it?

SENATOR BEERS:

I think they will pay it because they would have a moral obligation to do so.

MR. ATKINSON:

The local governments that participate in the State program are separately rated and do not cost the State anything. The subsidy problem was created because the number of retirees to the number of active participants in the non-State plan has become so disproportionate. Last fall when we first started talking about this, there were about four retirees for every active participant. At this point, the proportion is almost six retirees for every active participant.

The local government retirees have been allowed to come into the plan since 1993 when provisions were added enabling them to join the plan if they retire from a local government. It was a onetime thing in 1993. It was reenacted in 1995 and then made permanent in 1997. In 2003, was when we said if you are a local participant in a plan, your local government will subsidize you to the same extent the State subsidizes you and that is when we saw the flood come in.

TERRY HICKMAN (Nevada State Education Association):

The October date is critical because when a teacher retires, their first day of retirement is not until the end of their contractual obligation which is generally August 31. This means their first day of retirement can be no sooner than

September 1. Any date prior to that would make it impossible for a teacher in the State to be eligible to apply to the retiree health medical plan. We have urged that consideration be given to October 2009. This will be an all-encompassing and important change and time is needed for everyone to have a clear understanding of what it means and to prepare for it. When this goes into effect, it will change people's lives. We want to be sure it is done with a great deal of thought and with the ability for input by those who will be affected.

MARTIN BIBB (Retired Public Employees of Nevada):

The Subcommittee did an excellent job. The amendment Mr. Atkinson has outlined reflects the issues we believe were agreed to at the Subcommittee meeting. The issue of the future date when the retirees could come in under the existing system was discussed. It seemed to us that fall was a good time because many people have contractual years that end in August. We also agree with the option of making the all-in or all-out change effective in one or two years. It is my understanding there are about three active employees for each retiree in the State pool. We want to express our support for this amendment as proposed by Mr. Atkinson and staff.

ROSE E. MCKINNEY-JAMES (Clark County School District):

I believe the amendment as presented will meet with acceptance from the Clark County School District. Since A.B. No. 286 of the 72nd Session, the challenge for us has been the ability to fund the subsidy. You have been helpful by providing us with the allocations to underwrite those costs. We are trying to make sure we are not faced with another situation where we would need an additional allocation. We do not have a position with respect to a number of the policy issues. As Mr. Atkinson reviewed what is in and what is not in this mockup, I gained some comfort. The question for us will continue to be the fiscal implications with respect to how we deal with the subsidy if we are required to provide the subsidy necessary to allow our folks to participate. That is our challenge.

MICHAEL R. ALASTUEY (Nevada Association of School Superintendents):

We are looking at this document for the first time. Having gone through the material just briefly, on behalf of school districts, we would urge that the Legislature not mandate a subsidy that does not arise from the election of the employing school district. The fallout from A.B. No. 286 of the 72nd Session in any form is not one we would wish to revisit. It is our understanding, having read through this quickly, that it does not provide such a mandate. With that understanding, we have gained some comfort from the discussion, subject to review.

LESLIE A. JOHNSTONE (Executive Officer, Public Employees' Benefits Program):

I would like to make a couple of comments on commingling. The PEBP would request that the effective date, if this definition is adopted, be July 1, 2008, as our plan rates for the upcoming plan year starting this July have already been established. My second comment is also with regard to commingling. The fiscal note that PEBP originally attached to this bill is approximately \$1 million each year. That would be cut in half to about \$1 million for the biennium if the effective date is July 1, 2008. The impact on the State next year could be absorbed within PEBP's reserve for rate stabilization and no adjustment to the subsidy would be required. The reason for the fiscal impact is that it would have the effect in most years of lowering the Medicare retiree rates and increasing

slightly the active employee and the non-Medicare retiree rates. There is a higher State subsidy for the active participant. That is the reason for the slight shift. Other than this, the PEBP is in agreement with all of the amendments.

SENATOR BEERS:

Would the effective date on the commingling definition be July 1, 2008?

Ms. JOHNSTONE:

That would be our request.

CHAIR RAGGIO:

If there is no further testimony, is there a motion with respect to the proposed amendment?

MR. ATKINSON:

The effective date of the all-in or all-out provision needs to be at least October 31 because there is a 60-day waiting period after retirement.

SENATOR BEERS MOVED TO AMEND AND DO PASS S.B. 544 INCLUDING THE AMENDMENTS OUTLINED IN THE MOCKUP ([EXHIBIT C](#)); WITH AN EFFECTIVE DATE OF NOVEMBER 30, 2008, FOR THE ALL-IN OR ALL-OUT PROVISION; TO ACCEPT THE THREE PROPOSED AMENDMENTS AT THE BOTTOM OF PAGE 14 OF [EXHIBIT C](#); AND THAT THE DEFINITION OF COMMINGLING BE EFFECTIVE JULY 1, 2008.

CHAIR RAGGIO:

Would this include two cycles?

SENATOR BEERS:

It would be two sets of retirees.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

Senate Bill 544 will be recommended for amend and do pass.

At this time, let us consider S.B. 469.

SENATE BILL 469: Increases the amount of the annual transfer of money from the Abandoned Property Trust Fund to the Millennium Scholarship Trust Fund. (BDR 10-1415)

The Committee heard S.B. 469 on April 2, 2007. This is the additional money that would come from the Abandoned Property Trust Fund to the Millennium Scholarship Trust Fund. At the hearing, the Committee received a chart which contained an analysis of the funding required to ensure the Millennium Scholarship would be solvent. Does this propose that an additional \$2.8 million a year go to the Millennium Scholarship Trust Fund?

DR. RICHARDSON:

I do not have that chart with me. My recollection is that the Governor recommended \$2.8 million each year, in addition to the amount already coming from the Abandoned Property Trust Fund, to keep the Millennium Scholarship Trust Fund afloat. The testimony was that this additional \$2.8 million would keep the Millennium Scholarship Trust Fund solvent through 2023.

CHAIR RAGGIO:

At this time, the Committee should consider whether to process this bill so it can go to the other House.

SENATOR TITUS MOVED TO DO PASS S.B. 469.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS CEGAVSKE AND BEERS VOTED NO.)

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The next bill for the Committee to consider is S.B. 67 which provides for a registry for putative fathers.

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)

This bill would have a small fiscal impact. The cost would be approximately \$10,000 in FY 2007-2008 and \$1,000 in the second year. I understand there would be some revenue gain, as well.

MR. GHIGGERI:

That is correct. They are indicating a cost of approximately \$10,339 in FY 2007-2008. The cost of implementing the regulations is \$9,339 and they are projecting ongoing costs of approximately \$1,000 a year. The maximum potential revenue to the General Fund would be approximately \$14,400.

CHAIR RAGGIO:

The fiscal impact of this bill is nominal. We have held onto this bill because Senator Coffin had some concerns. Is there a desire on the Committee to process this bill?

SENATOR COFFIN MOVED TO DO PASS S.B. 67.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS VOTED NO.)

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Senate Bill 71 relates to the Uniform Parentage Act. If this bill is processed, there needs to be an amendment to section 80. The provisions of that section would create a situation where adoptive parents could be faced with a child beginning litigation at any time to determine parentage. I could not support the

bill with that provision. This bill has some significant revenue loss. I do not know if we can process the bill. I will discuss it with Senator Care and bring it back to the Committee at our next meeting.

SENATE BILL 71 (1st Reprint): Enacts certain provisions of the Uniform Parentage Act. (BDR 11-719)

Senator Rhoads introduced S.B. 73. This bill provides a Legislator with a travel allowance if they are in a large legislative district. The bill needs an amendment to include a provision for the travel allowance to be paid for meetings of any political subdivision.

SENATE BILL 73: Provides for allowances for certain travel expenses incurred by Legislators during the legislative interim. (BDR 17-265)

SENATOR BEERS MOVED TO AMEND AND DO PASS S.B. 73.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Senate Bill 123 is a public records bill brought to us by Senator Care. It has been previously heard in the Senate Committee on Government Affairs. This bill has a significant fiscal note.

SENATE BILL 123 (1st Reprint): Makes various changes to provisions relating to public records. (BDR 19-462)

MR. GHIGGERI:

The Department of Corrections indicated they would need two public information officers to carry out the provisions of this bill. Their projected cost is about \$275,000 for the 2007-2009 biennium. The Department of Motor Vehicles has a fiscal impact note of approximately \$16,200. That is for reprogramming costs for their computer system.

CHAIR RAGGIO:

There was a request to amend section 6, subsection 3 of S.B. 123 to read as follows: "3. The provisions of subsection 1 do not apply to any book or record: (a) declared confidential pursuant to subsection 4 of NRS 463.120."

Where did that amendment come from?

SENATOR BEERS:

There was discussion in the Committee regarding the collection of sensitive information about applicants by the State Gaming Control Board and the Nevada Gaming Commission. This was designed to keep that information out of the open records of government.

CHAIR RAGGIO:

Does this bill exempt the State Gaming Control Board from the 30-year period?

MR. GHIGGERI:

There is an issue which relates to the Division of Parole and Probation.

CHAIR RAGGIO:

If the Committee passes this bill, we would have to amend it with this amendment and as approved by Senator Care. The records of the Division of Parole and Probation should also be exempted.

SENATOR BEERS MOVED TO AMEND AND DO PASS S.B. 123 WITH THE AMENDMENT TO SECTION 6, SUBSECTION 3; AND TO EXEMPT THE RECORDS OF THE DIVISION OF PAROLE AND PROBATION IN ADDITION TO THE LANGUAGE EXEMPTING THE RECORDS OF THE STATE GAMING CONTROL BOARD.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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This Committee heard S.B. 229 on May 4, 2007. The bill deals with the registration and regulation of warrantors of vehicle protection products. Mr. Dan Reaser from the law firm of Lionel Sawyer & Collins testified, representing the people who provide these kind of warranties. There is no additional General Fund required by this bill. Approximately \$30,000 would be required which would be paid from contract fees.

SENATE BILL 229 (1st Reprint): Provides for the registration and regulation of warrantors of vehicle protection products and related sellers and warranty administrators of such products. (BDR 57-1137)

MR. GHIGGERI:

In FY 2007-2008, the program would be self-supporting. However, in FY 2008-2009, there would not be sufficient funds in the reserve for this account to continue the operation of the program.

CHAIR RAGGIO:

Does the Committee wish to process this bill?

SENATOR COFFIN:

The testimony we received regarding this bill, particularly from the Division of Insurance, was reassuring that the reserve pool that would be built would be sufficient to cover any problems that may occur.

SENATOR COFFIN MOVED TO DO PASS S.B. 229.

SENATOR RHOADS SECONDED THE MOTION.

SENATOR BEERS:

My notes from the hearing indicate the fees cover only half the cost of this program.

MR. GHIGGERI:

The program could operate the first year of the biennium using the reserves in this account. However, in the second year of the biennium, additional funding would be required to operate the program.

CHAIR RAGGIO:

Would that be General Funds?

MR. GHIGGERI:

It would have to be General Funds or funds raised in the program.

SENATOR BEERS:

I will be opposing this measure.

SENATOR TITUS:

I will also oppose it because my research indicates this is a provision of service no one needs and it rolls back consumer protection.

SENATOR CEGAVSKE:

I will also oppose this bill.

CHAIR RAGGIO:

Since there will be only two votes to pass this bill, there is no use in voting on the motion. Does anyone want to make a motion to indefinitely postpone S.B. 229?

SENATOR TITUS MOVED TO INDEFINITELY POSTPONE S.B. 229.

SENATOR MATHEWS SECONDED THE MOTION.

SENATOR COFFIN:

When we have legislation that has been heard in another committee and passed out of that committee, they should be offered a chance to respond to our Committee's actions.

CHAIR RAGGIO:

We will hold the motion to indefinitely postpone in abeyance until our next meeting. Would you please contact the Chair of the Committee on Commerce and Labor?

SENATOR COFFIN:

Yes.

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CHAIR RAGGIO:

There being nothing further to come before the Committee at this time, the meeting is adjourned at 12:34 p.m.

RESPECTFULLY SUBMITTED:

Anne Vorderbruggen,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____