# MINUTES OF THE SENATE COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS

# Seventy-fourth Session April 10, 2007

The Senate Committee on Legislative Operations and Elections was called to order by Chair Barbara K. Cegavske at 1:37 p.m. on Tuesday, April 10, 2007, in Room 2144 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 555 East Washington Avenue, Las Vegas, Nevada. <a href="Exhibit A">Exhibit A</a> is the Agenda. <a href="Exhibit B">Exhibit B</a> is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

# **COMMITTEE MEMBERS PRESENT:**

Senator Barbara K. Cegavske, Chair Senator William J. Raggio, Vice Chair Senator Warren B. Hardy II Senator Bob Beers Senator Bernice Mathews Senator Valerie Wiener Senator Steven A. Horsford

# **GUEST LEGISLATORS PRESENT:**

Senator Dina Titus, Clark County Senatorial District No. 7

# **STAFF MEMBERS PRESENT:**

Brenda J. Erdoes, Legislative Counsel Michelle L. Van Geel, Committee Policy Analyst Josh Martinmaas, Committee Secretary

# OTHERS PRESENT:

Yintso Lin, Director, Taipei Economic and Cultural Office
David C. Lee, Executive Director, Las Vegas Taiwanese Chamber of Commerce
Helen Lee, Formosan Association for Public Affairs
Ina Huang, Taiwanese Women's Association of Southern Nevada
Wen-Pen Liu, M.D., Chapter President, Formosan Association for Public Affairs
Sacramento Chapter

Chiu-Hsiang Lucero, President, Taiwanese Women's Association of Southern Nevada

Norman Chen

Josh Hicks, General Counsel, Office of the Governor

Matt Griffin, Deputy for Elections, Office of the Secretary of the State

John L. Wagner, The Burke Consortium

Lynn Chapman, Independent American Party

Craig Walton, Nevada Center for Public Ethics

Tim Tetz, Executive Director, Office of Veterans' Services

Larry Lomax, Registrar of Voters, Elections, Clark County

Gary Peck, Executive Director, American Civil Liberties Union of Nevada

Patricia Axelrod, Director, Desert Storm Think Tank and Veterans Advocate

Shaun E. Jillions, City of Henderson

Liane Lee, Government and Community Affairs, City of Las Vegas

Janine Hansen, Nevada Eagle Forum

Ronald Lee Watt

#### CHAIR CEGAVSKE:

I bring the Committee on Legislative Operations and Elections to order. We will open on <u>Senate Joint Resolution (S.J.R.) 15</u> and <u>S.J.R. 16</u>.

SENATE JOINT RESOLUTION 15: Urges the President and Congress to continue to support the participation of the Republic of China on Taiwan in the World Health Organization. (BDR R-1358)

SENATE JOINT RESOLUTION 16: Urges the President and Congress to support a free trade agreement between the Republic of China on Taiwan and the United States. (BDR R-1340)

SENATOR DINA TITUS (Clark County Senatorial District No. 7):

You have two resolutions before you that deal with relations with Taiwan. Taiwan is no stranger to this Legislature, we have a good, long-working relationship.

YINTSO LIN (Director, Taipei Economic and Cultural Office):

We appreciate your support. On behalf of the people and government of Taiwan, we are thankful for all the support and friendship of your state.

DAVID C. LEE (Executive Director, Las Vegas Taiwanese Chamber of Commerce): I have prepared testimony (Exhibit C).

HELEN LEE (Formosan Association for Public Affairs):

In 2003, the Severe Acute Respiratory Syndrome (SARS) first broke out in China, but because of their authoritarian government, the news was hidden for almost a year. During that time, SARS spread to the neighboring countries—including Taiwan. Although Taiwan is only a third the size of Nevada, it has a huge population of 24 million. When a team from the World Health Organization (WHO) tried to help Taiwan, they were blocked by China. Because of this, some citizens in Taiwan and recent graduate doctors—so full of passion and compassion—lost their lives. They did not have the knowledge of this mysterious disease and the information from WHO.

We call WHO the World Health Organization. Is Taiwan a nation located on planet Earth? Is Taiwan a country located on Jupiter or Venus? Why has this special place with 24 million people been secluded? We are not here to talk about the political issue, we are speaking from the humanitarian point of view. We Americans are suppose to be the most civilized and have the most human rights—we do anything to protect small animals. China claims Taiwan is part of them. If Taiwan is part of China, why do the Taiwanese people need passports when they want to visit China? Are Californians required to have a passport when they visit New York?

I am here to support these resolutions out of humanity, to protect any life on this planet. Some would say Taiwan is a small country. If you heard there were killer bees approaching your house, you would close all the doors and windows. But then you say, "Let them kill the mice, it is not my favorite," and you leave the bedroom window open. I do not think you would do that. If we exclude Taiwan from the protection of WHO, it is what we would be doing. I am here to urge you to not let innocent blood stain your hands, not because of the political reasons from the threat of China.

INA HUANG (Taiwanese Women's Association of Southern Nevada): I have prepared testimony (Exhibit D).

WEN-PEN LIU, M.D. (Chapter President, Formosan Association for Public Affairs Sacramento Chapter):

I am here speaking in support of <u>S.J.R. 15</u>. I have prepared testimony (Exhibit E).

CHIU-HSIANG LUCERO (President, Taiwanese Women's Association of Southern Nevada):

I have prepared testimony (Exhibit F).

# NORMAN CHEN:

First, I would like to read a statement from Roland N. Chen, M.D. (Exhibit G).

The World Health Organization's objective is to safeguard against outbreaks and respond to pandemics all around the world. This requires a tight-knit, seamless network of information and cooperation. Without the participation of Taiwan in the WHO, you are leaving a big hole in this network. This network will not work; it will not catch everything. Anything that happens in Taiwan could directly affect our lives here in Nevada. Taiwan is not a remote country. It has a vibrant economy and a lot of freedom. It has 23 million mobile people who travel all across the world all the time. This means it is for our own good in Nevada as well as Taiwan's to support Taiwan's participation in the WHO.

## MR. LIN:

Your support shows us and the people in Taiwan we are not alone. We are on our way to fight for a better life and to fight for better health for people—both in Taiwan and in Nevada. Thank you for this resolution.

As for <u>S.J.R. 16</u>, it is not fair that you sign a free trade agreement with South Korea but leave us alone. Taiwan is also a strong ally of the United States. When you sign a free trade agreement with South Korea, what do you think the people of Taiwan think? You leave us alone and behind. It is not fair to people in Taiwan. You see many people in Seoul, South Korea, protesting the United State's presence. When did you see people in Taiwan protest against your presence? Whenever you come, we open our arms and welcome you. This free trade agreement will expand trade, promote security and create opportunities for Taiwan and Nevada.

This agreement will also nurture economic ties between Taiwan and the United States. President Bush once said Taiwan is one of the world's most important

trading partners. Let me give you some figures from 2006. Trade between Taiwan and the United States reached almost \$62 billion. That is a 7.6 percent increase from 2005. In 2005, trade between Taiwan and Nevada was only \$24 million—the export from Nevada to Taiwan. But last year, it increased 30 percent. It reached \$32 million. The Institute for International Economics predicts when the United State and Taiwan sign this free trade agreement, the exports from the United States to Taiwan will increase \$6.6 billion. Including last year's \$62 billion, that number will reach almost \$70 billion.

This agreement will offer many more business opportunities to businessmen in the United States and Nevada. Here are some other figures that show benefits in agricultural areas. United States' farmers have a potential new income of over \$500 million. In information technology, most of your computers or notebooks and components are produced by Taiwan information technology companies. We will continue this strong tie after signing this agreement. The telecommunication area has a potential market of \$40 billion by 2008 with this agreement. Quite a portion of the 8.2 million Taiwanese that go abroad for trips come to Las Vegas. In the education area, some of you want to promote education cooperation between Nevadans and the Taiwanese. The United States controls 48 percent of the international students recruitment market in Taiwan. For sure, the free trade agreement will be a big benefit to people in Nevada, the United States and Taiwan. We appreciate your support.

# **SENATOR RAGGIO:**

I support both of your resolutions and have supported these concepts for a long time. I had the privilege of first visiting Taiwan in 1978 with a group of other state Senators. Shortly after, this was before normalization on the mainland, we were invited to go to the mainland. There was a vast difference between what was accomplished in the short time under the free enterprise system compared to what was on the mainland. It was amazing. Taiwan is an island with very little natural resources that has to rely on others a lot and has made tremendous strides. I have gone numerous times since then and always come back refreshed with the commitment and dedication of the people of your island.

It is inappropriate that Taiwan, which has been one of the strongest allies of this country and particularly of our state, has this discrimination in something as vital to human safety as participation in the WHO. It is punitive to keep 24 million people out of that organization because of political reasons and political ideology. Senate Joint Resolution 16 indicates that you are our

eighth most important trading partner, and there is not a trade agreement between our countries. While we also have established relationships with the People's Republic of China, we should not bow to that kind of pressure. Former President Ronald Reagan was very forthright and sent strong messages that we would not tolerate interference with the freedom and recognition of your country. I want to indicate strong support for Taiwan's position, and I would say that if representatives of the People's Republic of China were sitting here. Congratulations and appreciation for not only what you do but for the strong alliance and support you have shown to our country.

#### SENATOR HARDY:

I wish to associate myself with Senator Raggio's comments; they were well stated. I have a lot of experience in Taiwan. As a young child, I spent a month there every summer. My parents and family grew to love the people of Taiwan, the culture and everything your country represents. It is outrageous we have not acted more appropriately towards our friends and allies who have been an example to us in a lot of ways for democracy and free enterprise. My only objection to the resolutions is they are not strongly worded enough. One of the things I am most proud of is the association we have with this wonderful country. I want to see us be a leader in the strongest possible terms to make both of these resolutions meaningful and see these become reality. These are not only our allies, these folks are truly our friends.

# CHAIR CEGAVSKE:

Senator Raggio and Senator Hardy have done a wonderful job of capturing our views. I want to thank all of you for what you do and mostly the friendships, you always go out of your way. The kindness and generosity is overwhelming and appreciated.

SENATOR RAGGIO MOVED TO AMEND AND DO PASS AS AMENDED  $\underline{\text{S.J.R. }15}$  AND  $\underline{\text{S.J.R. }16}$ .

SENATOR HARDY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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We will close the hearing on <u>S.J.R. 15</u> and <u>S.J.R. 16</u> and open the hearing on Senate Bill (S.B.) 494.

SENATE BILL 494: Revises provisions governing the periods for reporting campaign contributions and expenditures. (BDR 24-1427)

JOSH HICKS (General Counsel, Office of the Governor):

I am here to testify in support of <u>S.B. 494</u>. <u>Senate Bill 494</u> is a collaborative effort between the Office of the Governor and the Secretary of State's Office. This is a simple bill in concept dealing with contribution expense reports. What it does is change some dates. It does not change any of the groups or entities covered by contribution expense reports, candidates, political action committees (PAC) and ballot groups.

The reason behind this is because of early voting and absent voting. Currently, the state law requires these contribution expense reports be filed seven days before the election—whether it is primary or general. We are trying to have one report filed before early voting and absent voting starts so those voters can get information on contribution expense reports. We then want another report immediately before the election for those who vote on Election Day. The idea is to give the voters as much information as possible before they cast their ballot, regardless of when it is cast. We made one other change to each section to require the report be deemed filed when it is received. That is a slight change from the existing law because existing law allows a report to be deemed filed when it is postmarked if sent by certified mail. We made this change because moving the dates closer to the election runs the risk of something postmarked timely but not received until after the election. That scenario would not do anybody any good.

As currently written, <u>S.B. 494</u> requires reports be filed three days before the primary election date and three days before the general election date. We request that language be amended because that falls on a Saturday. We suggest language be added to make it the business day immediately preceding the three days before. That would take it to a Friday in most cases. In November, on those years when Nevada Day is on Friday, it would take it to the Thursday before that. This language would take care of that aspect.

## **SENATOR BEERS:**

This would create five reports instead of the three we have in an election year?

# Mr. HICKS:

Yes. There would be five, one in mid-January covering the year before; one before early voting started for the primary to cover the period from January up to approximately that date; another just before the primary; a fourth before early voting started for the general election; and a fifth right before the general election date.

#### SENATOR BEERS:

My concern would be on Reports 2 and 4. You are only allowing two days from the end of making transactions to generating and turning in the report. It is at least a week now.

## Mr. HICKS:

We realize it is a little tight, and we would be happy to work with the Committee if there needs to be a change. We are trying to get as much done as we can in the short time span.

#### **SENATOR BEERS:**

I understand the intent.

#### SENATOR MATHEWS:

Maybe I am naive, but when I knock on doors, nobody has ever asked me about my report.

# CHAIR CEGAVSKE:

I agree. I think a lot of this is for the media.

## **SENATOR HARDY:**

You said we would have to file a report just prior to early voting and then another report just prior to the primary so that is weeks apart. Did I understand you correctly?

#### Mr. HICKS:

Yes. It might make it easier if I threw out the dates for 2008.

# **SENATOR HARDY:**

This is a substantive change; it is not just a date issue.

## Mr. HICKS:

Right. When I say a substantive change, I mean it does not change the contents of the report; it adds two new dates.

### **SENATOR HARDY:**

What was the thought process behind the early voting? Just to get everybody to have a snapshot before any election opportunity?

MATT GRIFFIN (Deputy for Elections, Office of the Secretary of the State):

A woman from our office has some reports. Talking with the Governor's staff, Nevada is consistently seeing a higher output of early voting in the state. Reporting periods are not structured in a way so those people have the opportunity to view the contribution expense reports filed.

#### SENATOR HARDY:

I understand the concept and thought process behind having it before early voting instead of the primary. I am struggling with the need to do another one before the primary. You are trying to give the early voter an opportunity to look at the contributors, but I do not know why we need to duplicate that report just prior to the primary date. We are accomplishing what we set out to do by letting people look at the reports prior to the election, which is appropriate. I do not understand the reason for doing two of them within a month of each other.

# CHAIR CEGAVSKE:

Mr. Hicks, did you want to give us those dates for 2008?

# Mr. HICKS:

Sure. Just to comment on yours, Senator Hardy, the reason for the other one right before the election was to catch that period when there are often significant contribution expenses in the days just before the election.

The dates in 2008—keep in mind this is without the business date change I mentioned earlier—are on January 15 and July 22; that would cover January 1 through July 18. Early voting would start on July 26. The last day of early voting is August 8 and the next report would be due on August 11; August 12 would be the primary election. Actually, that August 11 date might be wrong because it should be three days before. I think it is August 9. The third report would be due on October 14. October 18 is the start of early voting for the

general election on November 4; you would see the last contribution expense report due on November 1.

#### SENATOR RAGGIO:

Just so we know, would you go down the dates in 2008 the candidates would have to file a report? Starting with January 15, which is the first one, when is the second one?

#### Mr. HICKS:

July 22. There would be another one on August 9, then one on October 14 and the final one on November 1.

## **SENATOR RAGGIO:**

And then after that?

## Mr. HICKS:

Then after that in 2009, you would just see that January 15 because that is a nonelection year.

#### **SENATOR RAGGIO:**

Is there not a report between November 1 and January that is also due, the disclosures?

# Mr. HICKS:

There is a financial disclosure statement also due in January of each year, but that is not part of this bill.

## **SENATOR RAGGIO:**

I understand that. What I am concerned about is the same thing as Senator Mathews, which is the number of reports people running for office are required to file. I do not know about the other Senators, but I utilize a certified public account (CPA) and it is becoming a bit onerous. I am not against disclosure. My question is whether or not we are overdoing this requirement and the necessity for it.

#### Mr. HICKS:

There is no doubt about it, this adds some extra work for people who are required to file these reports; there are going to be two more that need to be filed. The one thing to remember is the actual dates of these contribution

expense reports and all these contribution expenses are required to be reported anyway. They are just caught up on three reports now. While a CPA might have to file two additional reports, the information that CPA is putting in report form and compiling is the same whether this bill goes through or not. If you look at the report due right before the election, the reporting period covers a small window of just those two weeks. It is not duplicating everything else already out there.

#### SENATOR BEERS:

The shortening of the prep times on all the reports is a big issue because these are not easy to put together and it takes time.

## CHAIR CEGAVSKE:

And as Senator Raggio stated, for those of us who hire somebody to do it to make sure it is right, we have to pay the CPA a fee each time.

#### SENATOR MATHEWS:

How does a conversation about this come up? I report every penny; if someone gives me a nickel, I put it on the report. What kind of dialogue brought this up?

#### Mr. HICKS:

This is a debate that has been out there for a while. This was in the Governor's State of the State Address and is why it is requested as a bill.

#### SENATOR MATHEWS:

That he wanted five reports? I never heard that.

#### Mr. HICKS:

In his State of the State, he was more general. It was about requiring disclosure before early voting. We thought this was the best way to capture that.

#### SENATOR MATHEWS:

I am not against disclosure. I fully appreciate it. But disclosure has to be within reason.

# JOHN L. WAGNER (The Burke Consortium):

We are against this bill; the filings are enough. Having run for office myself last time—and I did not have a CPA doing my expense reports and financial reports and so forth—nobody asked me about an expense report when I walked

door-to-door. Who really wants that information? Your opponents. He or she is the one that wants the information. Besides that, if people really want to see your report before they vote, why do they not just vote on Election Day? By that time, it is posted. This discourages people to run—you file these report and you look at it and say, "Oh my God, another report."

# LYNN CHAPMAN (Independent American Party):

We oppose this bill. First, we had a lot of our people who did not have CPAs, and we were trying to help them fill out these darn reports because they are confusing and time-consuming. I did run as a candidate this last time and I almost forgot to fill out one of the reports. Luckily, I was able to run over and drop it off quickly, but it is time-consuming, especially if you are out there campaigning. It is already hard enough to do the reports required.

The dates seem rather close. July 22 and August 9, there is not much time in between. I do not think the people care to hear all of that. Senator Randolph J. Townsend said on May 7, 2003:

At some point, you are not going to get anyone to run for office anymore. There are good people out there who cannot afford it and that is a real tragedy because we need everyone representing the state of Nevada from all walks of life. You are going to make this so onerous and absurd people are going to be afraid to do anything. I am terrified.

That really sums it up. Most people are terrified by all the things you have to do. It is hard enough just to figure out you are going to run and put together something to run for office. Then you have to fill out these forms continuously. It is too time-consuming, expensive and ridiculous.

# CRAIG WALTON (Nevada Center for Public Ethics):

We have had a number of requests, for example, for posting. We have been arguing both in the Assembly and Senate committee hearings for electronic posting of the reports. When we use a touchstone as to how many people read these things or talk about them when you walk the streets, it is important that we make these reports available electronically.

We have two points to make regarding <u>S.B. 494</u>. First is the reference to three days. There are 19 places where the second report is 3 days. If you have

your election on a Tuesday, three days before is a Saturday. If a thing is to be done by the state on a Saturday, the *Nevada Administrative Code* puts that over to Monday because Saturday is not a workday. That would make it one day before the election. It would be wiser to go throughout the bill, the 19 spots, and change the 3 to a 4. That would put it on a Friday, which is a workday, and not change the substance of the idea that we are trying to catch up all of the money that might come in between the 21 days before and real close to the election.

Second, at every opportunity where special elections are named, they are skipped over. We wanted to ask why. Primaries and general elections are covered, and there is reference to ballot measures, but special elections are left out. There are proponents and opponents in special elections and PACs giving money. All the reasons for campaign reporting in ways the public can find out about would seem to come into play in the special elections just as they do in the others. We would like to suggest all the treatment done for every other sort of election be applied to special elections.

# CHAIR CEGAVSKE:

You mentioned the disclosure. We have been working on bills for the limited liability companies (LLC) and PACs. These are the hardest ones to get down, and they are the ones with the money. Everybody wants to see what is going on and they are the hardest ones to open up and be required to file to find out who they are. Those are the ones doing all the behind the scenes, the ones going out against the candidate. Parties and individuals are putting monies into them, hundreds of thousands of dollars, and there are no disclosures and information garnered until after the election. To me, that is the more heinous of all because most of the filings they disclose, they have it there, the forms are there, we are doing it. I have to tell you, these LLCs and PACs are the ones I wish we could get underneath. Every time we ask the question or put the bills out there, something is unfortunately protecting them in our state. We are not able to do that, and that is where I would like to see us put our efforts: into opening up and exposing what is going on behind the scenes with LLCs and PACs.

### Mr. Walton:

We testified here a few weeks ago on <u>S.B. 144</u>, and as you know, <u>Assembly Bill (A.B.) 80</u> is working toward the same goals. As I understand it, <u>A.B. 80</u> is swallowing up pieces of <u>S.B. 144</u> to make a composite bill. There

will be a work session on that. We are trying to keep contributing and watching to make a good, strong bill on the LLCs.

The other point I would make is the concern some of the members of the Committee have about why do five reports. We had complaints from voters in the valley about the anomalous situation where you either go to early voting and not know who gave what money to whom or you wait to find out who gave what money to whom, but you cannot vote early because it is over.

# CHAIR CEGAVSKE:

When you say people, the only people most of us hear complaining are the media or our opponents; they are the ones who want to know. I am someone who walks door-to-door as most everyone else does, and we do not hear it from the constituents. We hear it from the media and somebody's opponent who wants to see what is going on in the other camp. That is what it is about.

#### Mr. Walton:

We have had two town hall meetings open to the public, and people brought those questions up. They are also pushing to say, "Why don't you make this electronic so it would be more easy?" I think they are related. The number of folks looking for numbers, who gives what to whom, will be larger when we can do it electronically. We have to do the spade work to inform the public and make it possible for the public to get this information.

## CHAIR CEGAVSKE:

The problem is if we cannot get the LLCs and PACs to do the same thing you are requiring the candidates to do, that is where more money is going. With LLCs and PACs, it does not touch the candidate, but these groups get away with it. These groups are hiding funds and money. This is what needs to be captured.

#### SENATOR MATHEWS:

I was wondering if "date received" in the bill is the filing date rather than the date you mailed it. What did you have in mind? Date received instead of date mailed? If that is true, then we cannot mail it anymore.

## Mr. HICKS:

You will see that language throughout <u>S.B. 494</u>. For example, if you look at section 1, page 4, lines 24 through 35, the old language said the report was deemed filed when it was received unless it was sent by certified mail in which case it was filed on the postmarked date. Our change would take away that postmarked rule and keep when it was received. The reason we did that was because we moved one of the reporting dates close to the election. We were concerned if you use the postmarked date, that report might not be filed until Election Day or afterwards.

## SENATOR MATHEWS:

That is my concern; you cannot mail it even if it is certified, and if you do, it is not considered filed until the day received. We are a mobile nation, and sometimes I drop mine in the mail; most of the time, I trot it down to the office, but once in a while, I will drop it in the mail, certified. But now, I would be late and subject to penalties.

#### **SENATOR BEERS:**

With the shortening of the time between the end of the reporting period and the date to turn it in and the new requirement that it is received on the date turned in, you cannot mail it anyway. You cannot possibly get it done.

#### CHAIR CEGAVSKE:

The intent is no more mailing.

#### Mr. HICKS:

Mail is only one way this report can be filed. It can be faxed or e-mailed. It can be sent in either of those ways up to the last minute on the last day.

#### CHAIR CEGAVSKE:

Some of the issues with faxing is people have been told it was not received and there was no notification it had been received from the Secretary of State or the clerk's office.

# **SENATOR BEERS:**

It is the same with e-mail; while certified mail is not foolproof, certified mail is the only way we have to get a receipt other than physically turning it in and getting a copy of the front page stamped received. This would require you to physically travel to the place where you are going to do it and file. When I was

in a statewide campaign last year, I was in Las Vegas and had to file in Carson City. There are some practicality issues we need to get ironed out.

#### Mr. HICKS:

I would be happy to work with the Committee on that. Maybe some language could be put in there requiring the filing officer to somehow receipt an e-mail, respond with a reply e-mail or fax and maybe provide some rebuttal of presumption that if they do not do that, it was filed.

# **SENATOR MATHEWS:**

I am not like a law office that has a lot of secretaries. I only have me, and I do not do e-mails and am definitely not going to fax you. You will just have to fine me because fax is not reliable; if I push one number wrong, it has gone to the wrong office, and I will not know that until you send me a letter. This needs to be thought out. It is obvious the people who were thinking this out do not run for office.

#### CHAIR CEGAVSKE:

We will close the hearing on S.B. 494.

## **SENATOR HARDY:**

I had a bill that came up in the Committee on Government Affairs dealing with growth measures of local government. We took a crack at a bill and it came out more expansive than we wanted. The concern I brought to the Committee was when a local government does a growth ordinance, it has an impact on the state budget and other local governments—a ripple effect occurs. We can have a debate about whether we should be as dependent on growth as we are, but the reality is our economy and tax structure and everything else is pretty dependent on growth.

We introduced a bill that intended to require findings before a local government can adopt a growth ordinance, findings in terms of how that limiting of growth would impact the state budget, state revenues and other local government revenues—in other words their neighbors. Unfortunately, it got caught up in a big political battle because of the Douglas County issue and there was some perception we were somehow trying to reverse that or undo it. I will not tell you it was not because I brought it forward, and it was not my intent to undo the will of the people. To say it simply, before a local government can do a growth ordinance, they have to make minimum findings. I had the whole group of

interested parties in my office this week trying to work a resolution. It became evident this was a bigger issue than we were able to tackle this session. I agreed to work with the groups independently as Chair of Government Affairs. They felt more comfortable if we would at least request a legislative interim study on this issue or put it in with one of the other groups. Madam Chair, I would like to request the Committee consider a bill draft request to do an interim study on that concept.

SENATOR HARDY MOVED TO INITIATE A BILL DRAFT REQUEST FOR AN INTERIM STUDY.

SENATOR BEERS SECONDED THE MOTION.

#### SENATOR WIENER:

This would be considered among the many. We are giving it an airing in front of the Committee but not a final commitment as a study?

#### CHAIR CEGAVSKE:

You are correct.

#### SENATOR HARDY:

I will indicate to the Committee I am not sure a full-blown interim study is the best idea. We want to just put it on the table. I am mindful of the fact that we are limited in our interim studies and will try to find an appropriate way to do this. We just want to have it as one of the options.

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

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#### CHAIR CEGAVSKE:

We have several measures for studies and we will hear those, but they are all exempt so we do not need to hear them right now with the time frame we have this week. We will hear those in the weeks to come.

We will open the hearing on S.B. 493.

<u>SENATE BILL 493</u>: Makes various changes to voter registration and voting procedures for certain members of the Armed Forces of the United States and their family members and certain other voters who reside outside the United States. (BDR 24-811)

TIM TETZ (Executive Director, Office of Veterans' Services):

<u>Senate Bill 493</u> revises voter registration and procedures for members of the armed forces, their family members and any others residing outside the state. I cannot speak with any authority from the standpoint of the county and local voter registration clerks, but I can certainly speak with authority and background on the military side of things.

Our point with looking after the veterans—and in this circumstance we look at the military and active duty military as veterans—is anything we can do to assist America's heroes in voting pales in comparison to what we ask them to do on a daily basis. In researching this bill and looking at some of the statistics nationwide, I came across an interesting question that we need to pose to ourselves. What do the states of Tennessee, Ohio, Missouri, Florida and Nevada have in common? In 2004, they had very close margins of victory in their elections, and yet all five states have a very high percentage of military voters. In comparison with these other states, Nevada pales on how we assist our military veterans in voting. In 2000, as many as 30 percent of the service members serving overseas were unable to vote. What the military finds is the election and voting procedures are a cumbersome process. There is a confusing patchwork of state laws they must understand. Many times ballot changes, unbeknownst to them, disenfranchise voters both here and abroad. To overcome this, the federal government has created write-in ballots, which part of this bill will address. Many other agencies and organizations have tried to address this. In 2004, the U.S. Department of Defense funded a \$22 million electronic means for voting for military members. That was scrapped and in exchange, every military member deployed overseas received a 379-page guide to help them vote, 379-page guide to help them be the citizens they are. To address this issue, 21 states have authorized special blank absentee ballots for military members. That is certainly meant to help as is the rest of S.B. 493. Oversea ballots, particularly those submitted by the military, are susceptible to challenge because they arrive past deadlines and oftentimes do not receive postmarks—just because the way the military votes.

Our specific concerns with this bill expand on three things. In section 3, subsection 1, we are concerned about the 40 days before the day of election. Unfortunately, in today's modern military, oftentimes a military member cannot tell you where they are going be in 40 days or if they are going to be deployed. That date is tough to determine. Some of my counterparts in the audience will address the 80 days in paragraph (b). One of their last preparatory things we advise them to do before they leave the state is to request their absentee ballot. That may happen in 90 to 180 days or in some of these 18-month deployments, far in advance of that. Why should we say, "No, we cannot get you that," if it was not within that 80-day window and nullify their request? By doing that, I understand in subsection 2, you are requiring the registrars to respond within ten working days; we would need to have some latitude there.

However, we are very pleased with this bill. It simplifies the request. It allows military members to put their request in for absentee voting in numerous ways, certainly including the federal form they are issued. Second, it gives many transmittal options currently recognized, some I do not or cannot even fathom. Finally, overall, it gives us the ability to expand in the future. I pulled up a quote from a Nevada military member from 2004 which struck me as a little odd. Specialist Ricardo Hart of the 321st Signal Company in Reno was quoted just prior to the 2004 election as saying:

A lot of soldiers feel President Bush isn't fulfilling what he said he'd do, but I'll tell them this is a war, this is still a conflict, nothing is in black and white so we're all voting. Just maybe not for the same person.

Mine is not to stand here and tell you right and wrong in any level but to demonstrate the importance of that statement. You see the Uniform Code of Military Justice prohibits military members from expressing their political beliefs, from performing outreach and testifying oftentimes before you in front of the military. They cannot have a voice, and that is why I am before you to voice their viewpoint. Voting is their chance to have a voice and express their viewpoint. Help them by passing S.B. 493; if Clark County's 15-percent primary turnout is anything of an indicator, we should do everything to help and not hinder our voters whether they wear a uniform or not.

LARRY LOMAX (Registrar of Voters, Elections, Clark County):

I have some questions just in the way this is written. My comments are more for clarification, as to intent, I do concur. In the very beginning of the bill, essentially what it says is if they know they are going to be out of touch for 40 days—no more then 80 days—before they have to request this special ballot, we are supposed to send them.

I really do not like the time lines. As Mr. Tetz stated, they may not be out of touch for 40 days. What if they are out of touch for 30 days? What if they send us a request 85 days ahead of time? Do I have to say, "No, send me one five days from now and then I'll honor it?" It will be much more logical that any time—right now you have to request an absentee ballot within the year—they know they are going to be out of touch, they get ahold of us and we will do all we can to get you that ballot. We need to get away from the time restriction.

## CHAIR CEGAVSKE:

You would like to leave it open.

## Mr. Lomax:

We would send them a new type of ballot. We would not even have published our mail ballots at this time so we would literally just send them a list of the candidates and they would write their choices back to us. That is fine with us.

# CHAIR CEGAVSKE:

Do you need language for that?

# Mr. Lomax:

Yes, there would need to be a change to get rid of the time lines; I did not bring any language.

# CHAIR CEGAVSKE:

Staff can help us with that. If we go through what you need, we can make sure staff understands where we are going.

# SENATOR HORSFORD:

You are saying under section 3?

## Mr. Lomax:

Yes.

## SENATOR HORSFORD:

What form would the "approved electronic transmission" take? How would that be disseminated?

### Mr. Lomax:

My understanding of this bill is the Secretary of State will define the acceptable means of electronic transmission. The only ones I am aware of right now are fax; it would be all right with us if someone e-mailed a PDF file as an attachment because then you could scan in your signature.

## Mr. Griffin:

There are currently federal guidelines as well as forms that specifically allow for facsimile. It is a pretty well-established practice as far as facsimile. I cannot speak intelligently as to the capability of e-mail, but I know the federal government is continually working to make whatever electronic means accessible safe for transmittal. Fax is done in a number of other states.

#### Mr. Lomax:

On the top of page 6 in subsection 3, and then in a slightly different situation on page 9, line 28, in essence it says—this would be something new in Nevada—there is a federal form on which an individual can register to vote and as long as they are voting for federal candidates only, simultaneously cast their ballot so to speak. We would receive the registration form and a voted ballot for federal candidates. I do not necessarily have a problem with this, but if we go to this step, I have a comment and a question. The one comment involves receiving a document with nothing to verify it against. I have no signature to match it against, no identification is required with it because of Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA). Comments in this statute say I am to verify it came from outside the continental United States; it is mentioned here in another place that you cannot always do that. We do not always get documents with postmarks and do not really know where it is coming from in many cases.

The second is a question. Page 6, subsection 3 says they can register and vote at the same time, and I do not know what that means. It says "a simultaneous application for registration and special absent ballot for the federal candidates to be voted upon at the primary, general or special election." My other question is when do I have to receive this? Do I have to receive it by the fifth Saturday

close of registration, by the tenth day in office registration or can I receive it all the way through Election Day?

#### CHAIR CEGAVSKE:

You need some guidelines there?

## Mr. Lomax:

Yes, the rules are not clear to us. Just a minor comment, on page 7, line 37 and then it occurs later on, we do not use punch cards anymore. A couple references to punch cards need to be removed.

On page 6, line 40, "The county clerk shall use the same means the registered voter uses to request an absent ballot" to get this ballot back to them. That is not necessarily the best way to do it because this is completely open when the person can request the ballot. He may request it by fax 120 days before the election. It does not necessarily mean the best way to get it back to him is to fax it back.

#### CHAIR CEGAVSKE:

We would need to clean that up as well?

#### Mr. Lomax:

Just allow us the option to get it there the best way possible.

# **SENATOR RAGGIO:**

This applies not only to persons who have a military assignment but anybody outside the country by reason of other employment as well? It is not just limited to armed forces personnel, it also applies to their families. I wanted to understand that. Is anything in here going to delay a determination, the canvass of the vote, in any manner? I want to accommodate those who have this impediment to voting. I am concerned, I would not want to create a situation where we never get to the end to determine the final vote because of delays in receiving special ballots, for example.

## Mr. Lomax:

I see nothing in the bill that would cause delay. We still have to receive the ballot by the end of Election Day, and those are the current laws.

# SENATOR RAGGIO:

Under this, it would either be by mail or electronic transmission, and that would have to be received by when?

Mr. Lomax:

It would be 7 p.m. on Election Day.

**SENATOR RAGGIO:** 

I recall in Florida some were received later?

Mr. Lomax:

Some states allow considerably more time after the election.

### CHAIR CEGAVSKE:

The other question for staff would be sections 12 and 15 allow certain citizens of the United States who have never resided in the United States to use the address of a parent who resides in the United States for purposes of establishing residency for voter registration. Does somebody want to clarify those sections for me?

## Mr. Lomax:

My understanding is there are children of United States parents born overseas who have never been back but are eligible to vote and need a location to vote. If their parents established an address in Nevada, they would be able to use that as their residential address in Nevada and cast ballots.

CHAIR CEGAVSKE:

How do you verify that?

Mr. Lomax:

There is no way, just like that other ballot I talked to you about. I receive a ballot, and if it is on that special form, we have to accept it.

SENATOR RAGGIO:

Is this provision utilized in other states as well?

Mr. Lomax:

I do not know that answer.

## **SENATOR RAGGIO:**

Then where did this come from?

#### Mr. Griffin:

One of the debates around the country is whether to include these provisions outside the military or just leave it to the military. The primary argument is notice; who knows when they are going to be out of the country—on vacation or whatever the case may be? Most states do not allow the United States citizen who has never set foot in the state of origin to vote in that state. I have not looked at all 50 states.

#### SENATOR RAGGIO:

Is this something new? Where did this suggestion come from? Suppose we take this a little further. What if you have one parent in one state and another parent in another state, do you get to vote twice?

#### Mr. Griffin:

That was the concern from the debates I have seen. It is my understanding this comes from a broad UOCAVA federal approach to which the states parse individually as to what they would like.

#### SENATOR RAGGIO:

I have some doubt about this provision.

## CHAIR CEGAVSKE:

Section 14 then expands the eligibility for late registration by those who have recently returned to residency in the United States. It includes family members of members of the armed forces, stationed outside the United States, who have been recently discharged and persons recently separated from employment outside the United States. That was another section I questioned.

Sections 7, 8, 10, 11, 13, 14, 16 and 20 also allow certain members of the armed forces, their family members and certain other qualified electors of this state who reside outside the United States to request forms for registration, absentee ballots and special absentee ballots. They could also request the form provided by the federal government for simultaneous registration and an absentee ballot and return voted ballots by electronic transmission. This is something new to me so I was a little concerned about those provisions. I do not know if anybody or staff could address those.

# Brenda J. Erdoes (Legislative Counsel):

These are all requested by Samuel F. Wright, Military Voting Rights Project, and we found most of them in some of the armed forces' suggestion packet. We were not sure about some, and there was no contact with the requestor after we started inserting this.

## CHAIR CEGAVSKE:

That was our concern too, we put this in as a request and have not been able to contact the requestor. What we can surmise from this are good intentions but also some big concerns about some of these sections.

GARY PECK (Executive Director, American Civil Liberties Union of Nevada):

We enthusiastically support passage of this bill. Any bill that helps voters who otherwise would face impediments to voting and who have the right to the franchise should be allowed to exercise it. I would urge you to keep the provisions that apply not only to military personnel but also to others residing outside of the United States. A good example would be someone who works arm and arm with military personnel in Iraq but does not serve in the military.

Ours is one of six states where provisional ballots cast do not count with respect to state and local elections. We like the write-in provision in this legislation, and those provisions make it clear that the registrars are capable of administratively handling such write-ins. We urge this Legislature contemplate changing the laws so provisional ballots cast by qualified voters actually count when cast in a local race, state race or on statewide ballot questions.

# CHAIR CEGAVSKE:

There are issues with some of these sections, but we all agree we would like to make sure the armed forces are absolutely allowed to vote, and we will do everything we can to make sure they do.

PATRICIA AXELROD (Director, Desert Storm Think Tank and Veterans Advocate):
I am here today to support <u>S.B. 493</u> with a few exceptions. Page 1, section 2 (A) of my handout (Exhibit H) is one of the exceptions.

Many American soldiers serve in enemy nations or U.S. nation allies in small numbers. I can assure you that U.S. soldiers are routinely deployed covertly in as yet unannounced wars in unnamed countries where substantial assistance from the armed forces of the United States is not yet politically attractive.

I therefore ask you increase the stated military beneficiaries of this bill so any soldier serving anywhere on any mission can benefit from this bill.

I also ask you to amend this bill to include your endorsement for the National Voter Registration Act (NVRA) in which Nevada is still not in compliance as well as the Help America Vote Act (HAVA) section 303. In doing so, not only will American soldiers benefit from one universal voters' registration list for Nevada but every citizen in and out of this country. I recommend you amend the bill to provide support for compliance with HAVA section 303 and NVRA.

# SHAUN E. JILLIONS (City of Henderson):

We are in support of <u>S.B. 493</u>. One provision touched on by Mr. Lomax that would be an issue is section 3, subsection 2 on page 3. It says we have ten working days to respond, yet there is an 80-day window. In the case of municipal elections, our candidate-filing period does not begin until 70 days prior to the primary election and closes 60 days prior to the primary election. We could see an instance where we would get this request, not have our candidates yet and have to send a response. Perhaps using 60 days, removing that 10-day window or making it more open-ended would work for us.

LIANE LEE (Government and Community Affairs, City of Las Vegas):

We are here to echo the same concerns and questions by Mr. Lomax and Mr. Jillions regarding section 3 of <u>S.B. 493</u> which deals with time lines.

## CHAIR CEGAVSKE:

The time lines he gave that it is the year we have that instead of the 40 days and the 80 days?

#### Mr. JILLIONS:

That would be perfect, Madam Chair, as long as that ten-day requirement to respond was not there.

# CHAIR CEGAVSKE:

That is what you are doing right now so we really do not even need that section because you are already doing it; we have the year. Is that correct?

#### Mr. JILLIONS:

That is correct.

CHAIR CEGAVSKE:

We will close the hearing on S.B. 493 and open the hearing on S.B. 492.

**SENATE BILL 492**: Provides for a procedure to verify the electronic tabulation of votes produced by electronic voting systems. (BDR 24-810)

JANINE HANSEN (Nevada Eagle Forum):

I became interested in this issue when I spent some time with State Senator Karen Johnson from Arizona who is active in the Eagle Forum. There have been concerns and testimony in the Committee about electronic voting and ensuring there is a check so the public feels secure in the results of the election. If they do not, it will certainly diminish participation.

However, in reviewing this bill as written, perhaps it is not the best answer to the problems we have in Nevada. I did request information from Senator Johnson which did not arrive in time. We heard testimony earlier this year that there are some safeguards through the Secretary of State and procedures the county clerks have. Perhaps at this time, this bill exceeds what might be possible in Nevada. I would like to hear testimony so I will be aware of precisely what the procedures are in Nevada.

One issue for me is a greater role for the paper ballot. This particular bill has four different checks for the paper ballot; ultimately on that fourth check, the paper ballot is used as the actual ballot. There has been testimony here in the past of people's concern about the use of the paper ballot and the fact the clerks tell us that the paper ballots were not used for recounts and other things. They were just extra. I am not sure what the purpose is if they have no specific purpose in law. This goes beyond what I envisioned. I would like to submit a copy based on the original bill passed two years ago in Arizona (Exhibit I). These are the updates of the current revisions in the Arizona bill. At this time, it would not be in the best interest to pursue this avenue. We need to keep all options open in making sure our ballots are safe and secure, but I am not ready to pursue this at this time.

CHAIR CEGAVSKE:

With your permission, you would like this bill withdrawn?

Ms. Hansen:

Yes.

SENATOR RAGGIO MOVED TO INDEFINITELY POSTPONE S.B. 492.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

# Ms. Axelrod:

I am here to commend this body for its work. However, I am here to ask you to initiate an action critical to election welfare and fair elections in this state.

# CHAIR CEGAVSKE:

Could you tell me what bill you are addressing?

## Ms. Axelrod:

I was addressing <u>S.B. 492</u>, but I cannot any longer. I would like to make comments about the verification of election outcomes and present an idea for you to incorporate into some piece of legislation.

The Sequoia Voting Systems (SVS) are still under warranty to the state until the end of 2007. More than sufficient evidence suggests these machines are rife with product defects including test results generated on behalf of SVS for the certification of these machines. Those test results demonstrated the Sequoia AVC Edge with variable printer have a meantime between failure rate of less then four hours, which is quite significant. The Secretary of State has received this report and chose to ignore the findings. I am asking you to take it upon yourselves to consider testing every machine in the state while under warranty. We still have time before the 2008 election. These machines are prone to malfunction. I can best demonstrate this by telling you the City of Chicago borrowed our machines for their 2006 primary election and those machines performed so poorly the City of Chicago determined they were not going to pay the lend-lease agreement.

## CHAIR CEGAVSKE:

Do you presently have a lawsuit with Sequoia or the State of Nevada?

## Ms. Axelrod:

I have a lawsuit alleging product defect against Sequoia. I have approached the Secretary of State, made it clear to him and his representatives that I have no intent to sue the state. I would prefer to resolve this matter amicably.

#### CHAIR CEGAVSKE:

I would like you to stick to an issue. The lawsuit is not anything we are here to debate today.

# Ms. Axelrod:

Well, you brought it up.

# CHAIR CEGAVSKE:

I wanted the other Senators to know the issues and why you are coming forward.

#### Ms. Axelrod:

I am not coming forward because of the lawsuit.

# CHAIR CEGAVSKE:

We are asking you to talk on a subject we have in today's agenda. You are going on about a subject we talked about several weeks ago. Give us a concise discussion on any of the bills before us. Yes, we did pull <u>S.B. 492</u>, and that is not going to be discussed. The subject of the Sequoia machine itself and having us test it is not under our purview right now.

# Ms. Axelrod:

I have touched upon three things today which are crucial to election verification, outcome, election conduct, federal and state election laws. First, this state is still in violation of NVRA which provides more than ample opportunity for vote corruption, vote theft and elections theft. Also, this state is still not in compliance with the HAVA section 303 which endorses and reinforces the NVRA. Although you do not want me to mention the Sequoia machines, we did, in fact, endure a dog and pony show by SVS. No more than two votes were tested and lo and behold, that was deemed a successful test of the machine. These machines are rife with product defects. The people of Nevada deserve better; we deserve fair, open and transparent elections.

# RONALD LEE WATT:

I am here today to speak in regard to election integrity and directly to <u>S.B. 492</u>. Realizing it has been withdrawn, I simply present this information for edification (<u>Exhibit J</u>, original is on file in the Research Library) and future use.

#### CHAIR CEGAVSKE:

Since we have your testimony, can you wrap up your points?

#### MR. WATT:

California Secretary of State Debra Bowen realized that the electronic voting systems in California—which include Diebold, Sequoia, ESS and several others, but primarily the Diebold and Sequoia—are rife with security flaws. I can teach every one of you to cast as many votes as you want on a Sequoia Edge DRE machine like the machines here in Nevada. The only way you could be stopped is for someone to physically restrain you. That is bad.

Push a yellow button on the back of that machine and hear it chime, three seconds later you will have a screen; push it and in three more seconds, it will go to manual activation. Then you can vote as many times as you want without any repercussion. There is no electronic or mechanical proviso to prevent that. Sequoia had to admit this when we challenged them through the former California Secretary of State Bruce McPherson. Mr. McPherson later chose to deny that and now California has a new Secretary of State. These machines have proven over and over again that they have failures with the Sequoia Veri-Vote. In <u>S.B. 492</u>, you were trying to take a flawed system and add another piece of equipment to fix it. That does not do it.

## **SENATOR BEERS:**

How is that different from putting ballots in a ballot box?

# Mr. Watt:

It is different in that when you come to vote, there is a person at the table with the ballots. The only way to stuff extra ballots in that box is by physically taking them. When you come in to vote, you sign the roster. We then determine your party and which ballot you get.

#### **SENATOR BEERS:**

Our Sequoia utilization is heavily manned. We have people standing in front and to the side of them with controls in place.

MR. WATT:

The situation arises clear back when you are programming. When these machines are programmed prior to the election, they can be corrupted at that time and up to Election Day. Sequoia states in their manual that you can take the voting cartridge out of the machine while it is turned on, replace it with another one or alter that one with no event logged. You could put corrupt cartridges in and no one would know.

#### SENATOR BEERS:

If I wanted to in the old days, I could swap out these 50 ballot cards for those 50 ballot cards as I open up the box.

Mr. Watt:

That is true.

## **SENATOR BEERS:**

All voting systems are subject to corruption if you do not have proper controls.

## MR. WATT:

Yes, they are, and at this time, the electronic systems in use do not have proper security. All it would take is one person in each state to switch a machine to manual and cast an extra 300 of 400 votes. I can cast 400 votes in under 2 minutes; we have done testing.

# **SENATOR BEERS:**

You would be pretty obvious.

MR. WATT:

Not really, not when you are in a crowded situation.

SENATOR BEERS:

Have you seen a Clark County or Washoe County election?

MR. WATT:

No.

# **SENATOR BEERS:**

They are not that crowded. It would be very obvious for you to walk to the back of the machine and hit the yellow button, wait, hit the yellow button again, walk back to the front and go through the ballot.

# MR. WATT:

You do not have to walk back; my arms are long enough that I can reach back there. We have tested this many times. When somebody comes in who is not familiar with all the issues, he will take three to seven minutes at the machine.

## **SENATOR BEERS:**

The machines have curtains in front of the machine leading back.

## MR. WATT:

No, the curtains go forward. All you have to do is reach around. The yellow button is very accessible.

Thank you for allowing me to speak and considering the possibilities. When we first got the machines, I swore by them. It was not until I saw them firsthand, figured out the corruptibility and saw elections stolen—some through nefarious methods and some through simple electronic failure.

Senate Committee on Legislative Operations and April 10, 2007 Page 33	d Elections
CHAIR CEGAVSKE: This meeting is adjourned at 4:01 p.m.	
	RESPECTFULLY SUBMITTED:
	Josh Martinmaas, Committee Secretary
APPROVED BY:	
Senator Barbara K. Cegavske, Chair	_
DATE:	_