

MINUTES OF THE
SENATE COMMITTEE ON FINANCE

Seventy-fifth Session
May 30, 2009

The Senate Committee on Finance was called to order by Cochair Bernice Mathews at 9:31 a.m. on Saturday, May 30, 2009, 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 Bernice Mathews, Cochair
Senator Steven A. Horsford, Cochair
Senator Bob Coffin
Senator Joyce Woodhouse
Senator William J. Raggio
Senator Dean A. Rhoads
Senator Warren B. Hardy II

GUEST LEGISLATORS PRESENT:

Senator Dennis Nolan, Clark County Senatorial District No. 9
Senator David R. Parks, Clark County Senatorial District No. 7

STAFF MEMBERS PRESENT:

Brian M. Burke, Principal Deputy Fiscal Analyst
Brenda J. Erdoes, Legislative Counsel
Gary L. Ghiggeri, Senate Fiscal Analyst
Patricia O'Flinn, Committee Secretary

OTHERS PRESENT:

Lee Rowland, Northern Coordinator, American Civil Liberties Union of Nevada
David Schumann, Chairman, Nevada Committee for Full Statehood
Janine Hansen, President, Nevada Eagle Forum
John Pappageorge, Republic Services
Carole Vilardo, Nevada Taxpayers Association

COCHAIR MATHEWS:

The Senate Committee on Finance will come to order. We will open the hearing on [Assembly Bill \(A.B.\) 546](#).

[ASSEMBLY BILL 546 \(1st Reprint\)](#): Revises provisions related to continuation of coverage for health insurance under the group policies of smaller employers. (BDR 57-1308)

We heard this bill on May 27.

SENATOR WOODHOUSE MOVED TO DO PASS [A.B. 546](#).

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR COFFIN VOTED NO. SENATORS HORSFORD, RAGGIO AND HARDY WERE ABSENT FOR THE VOTE.)

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COCHAIR MATHEWS:

We will close the hearing on A.B. 546 and open the hearing on A.B. 214.

ASSEMBLY BILL 214 (1st Reprint): Revises provisions regarding industrial injuries and occupational diseases. (BDR 53-25)

We heard this bill on May 29.

SENATOR COFFIN MOVED TO DO PASS A.B. 214.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:

I will close the hearing on A.B. 214 and open the hearing on A.B. 503.

ASSEMBLY BILL 503 (2nd Reprint): Creates an advisory committee to develop recommendations for the funding of highways in this State. (BDR S-954)

COCHAIR MATHEWS:

We heard this bill on May 20. The fiscal note has been removed from this bill, and we have been assured it will revert to the local governments.

SENATOR WOODHOUSE MOVED TO DO PASS A.B. 502.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:

I will close the hearing on A.B. 502 and open the hearing on Senate Bill (S.B.) 212.

SENATE BILL 212: Revises provisions governing initiative petitions. (BDR 24-649)

SENATOR DEAN A. RHOADS (Rural Nevada Senatorial District):

This bill has to do with initiative petitions. In the past, we had a rule that a petitioner must go to 13 of the 17 counties in Nevada to obtain signatures. Several years ago, a federal judge in Idaho ruled this unconstitutional and said petitioners could gather signatures in one place. This meant a petitioner could get all the required signatures from Reno or Las Vegas and none from the rural counties. In 2007, the Nevada Legislature passed a measure unanimously in both Houses requiring signatures be gathered from all counties. Last fall, a

federal judge in Las Vegas ruled this too was unconstitutional. We have now reached a compromise to use congressional districts, and we have an amendment to S.B. 212 to this effect ([Exhibit C](#)).

BRENDA J. ERDOES (Legislative Counsel, Legal Division, Legislative Counsel Bureau):

This bill essentially takes out the portions of the statute that were struck down by the case mentioned by Senator Rhoads and puts in place petition districts, which would be created pursuant to section 3.2 of [Exhibit C](#). These districts would be created by the Legislature at the same time and using the same information—that is, the U.S. Census population figures—as all the other districts that the Legislature reapportions every ten years. These petition districts could be set to match other types of districts, as is being done for this interim with the congressional districts. The bill states this must be done using the population data we get from the U.S. Census Bureau. Because it would not be possible to do this in time for the 2009-2011 biennium, congressional districts would be the petition districts for this next biennium. It would then be up to the 2011 Legislature to permanently fix the petition district boundaries.

The Office of the Secretary of State was concerned about the language of section 10, which is an amendment to *Nevada Revised Statutes* (NRS) 293.4687. This requires that a current list of the registered voters in the State, indicating each voter's petition district, be made public on the Website of the Secretary of State. This would clearly be difficult to do before 2011. We therefore made July 1, 2011, the effective date of section 10. Until that time, the Website does include the information about congressional districts.

COCHAIR HORSFORD:

Do you believe the provisions in this bill establishing the petition districts and the language in sections 3.2 and 3.4 meet the constitutional requirements?

MS. ERDOES:

Yes. In fact, this is set out specifically to match the constitutional requirements as interpreted by this last federal court ruling. That is contained in sections 3.2 and 3.4 of the bill.

COCHAIR HORSFORD:

Does the language in section 3.2, subsection 2, paragraphs (a) and (b), specifically meet the requirements regarding the establishment of the boundaries of the petition districts?

MS. ERDOES:

Yes. This language is meant to tie to the Census population figures. That is not an absolute requirement of the cases, but it has been upheld in the past. If you wanted to change that by statute later, if some other way of determining populations becomes available, you could do that. But for now, the concept of districts based on Census population figures has been upheld. That is what the amendment requires.

COCHAIR HORSFORD:

Subsection 1 of section 3.2 states, "The petition districts must be established in a manner that is fair to all residents of the State, represent[s] approximately equal populations and ensure[s] that each signature is afforded the same

weight." Can you explain why that language is important to the process, both for those who are trying to propose an initiative and for the general public?

MS. ERDOES:

These requirements are the consensus of the Legislature as to the critical importance of the need for balance in gathering signatures for initiative petitions. The first clause, that it must be "fair to all residents of the State," addresses Senator Rhoads' concern about the law as it currently stands, which would allow a petition gatherer to gather all the signatures in one location. The other two clauses, that it must "represent approximately equal populations" and "ensure that each signature is afforded the same weight," are the requirements stated by the United States Court of Appeals for the Ninth Circuit in the previous cases and the district court in this last case, to ensure that these petition districts are upheld by those courts.

COCHAIR MATHEWS:

We are up for possibly one and maybe even two new congressional districts, depending on the Census. Is that right?

MS. ERDOES:

That is my understanding. This would tie into that if you leave those in place.

SENATOR RHOADS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 212.

SENATOR WOODHOUSE SECONDED THE MOTION.

COCHAIR MATHEWS:

This bill has already been heard, but I will take public comment if there is any.

LEE ROWLAND (Northern Coordinator, American Civil Liberties Union of Nevada):
This is the first time we have seen the amendment in [Exhibit C](#). We signed in as being opposed to S.B. 212 because the original proposal was to use Assembly districts, which we believe would burden the initiative process in that it is burdensome to deal with 42 different districts.

There are two questions on the table when you are talking about initiative petitions being constitutional. The first question is whether the populations are distributed equally; this is an issue we have successfully litigated twice on prior proposals put out by the Legislature. The second question is whether or not the number of districts become so burdensome that it de facto takes the process away from the public. We have no objection to using congressional districts. We agree with Ms. Erdoes that this will pass constitutional muster.

I am confused about this system you are setting up that is undefined and does not require any public announcement of what a petition district is, but it requires someone to indicate on any petition they sign what petition district they live in. I am also concerned about the extraordinary cost of establishing an entirely new set of petition districts with GPS technology, publicizing those so people know what petition districts they live in and the possibility of litigation if those districts are too numerous. We estimate those costs will be in the tens of millions of dollars. In an area where the federal court has unequivocally stated twice that there are severe constitutional issues, an abundance of caution is called for.

I see this bill as a punt. To use congressional districts for these purposes is constitutional; the court has said so. Leaving the decision of what a petition district shall be up to the 2011 Legislature, assuming they can have consensus to pass anything, would be extraordinarily costly and of dubious constitutionality. It seems sensible to set it as the one area that we know is constitutional now. I encourage you to permanently set it as congressional districts.

If that is not the pleasure of the Committee, it is a little bizarre that this only stays in effect through 2011. This is an area where there is constant conflict and the possibility of litigation. Suppose the next Legislature decides there are going to be 30 petition districts. If the court strikes that down, you now have nothing. You are back to 10 percent statewide. If you set congressional districts as the default and the courts strike down the petition districts established by the next Legislature, at least you have something.

My concern is that you are setting up an imaginary system with no details and relying on the Legislature to fill it in. In an area where there has been so much litigation, I am not sure that is a wise path to take. When you are requiring people to affirm that they live in a certain petition district, there is a constitutional duty to heavily publicize and inform the public of where they live, and you are going to have to enable petition gatherers to determine where they are in the State. Again, it is going to take technology that is extraordinarily expensive. Is this something you actually intend to do? It is going to cost tens of millions of dollars, and you are going to have to explain to the electorate why you are continuing to decrease the availability of the initiative process.

Based on the record from this year, the initiative process is already dead because of the single-subject rule. The Legislature has already reduced the opportunity for the initiative process in every way it can. Setting it as congressional districts at this point just seems to be the sensible thing, the fiscally responsible thing and the constitutional thing to do. You have done that until 2011, and I encourage you to make it permanent.

COCHAIR HORSFORD:

I appreciate your perspective on this. Can you explain the basis of your estimate of the cost? Using the congressional districts means there is no cost because they are already established.

MS. ROWLAND:

I agree. What I meant was that congressional districts are clearly the most cost-effective and appropriate setup. This bill says that congressional districts will be used through 2011. There is a clear implication that you are not going to use congressional districts permanently, since section 3.2 states, "The Legislature shall establish petition districts" This presumably means you are going to be setting up petition districts that are different from the congressional districts. If that is done, it will be extremely costly. If the idea is that congressional districts are good now because they save money, I would urge we go permanently to congressional districts. That is the most cost-effective solution, and it also steers clear of the constitutional issues.

COCHAIR HORSFORD:

Ms. Erdoes, is there anything in the language that prohibits us from using congressional district boundaries as petition district boundaries, should we decide to do so in the future?

MS. ERDOES:

No, there is nothing to prevent that. As requested, we made the language flexible for this reason. You can add some congressional districts in the future, and there may be other districts that some future Legislature considers a better fit. All of these things will be taken into consideration by that future group in the regular reapportionment cycle.

COCHAIR HORSFORD:

I just want it to be clear that this will be one of the potential options that are available, should that be the best course, though it is not necessarily the only course that could be taken in the establishment of these districts. I do not think we should have too many districts. If they are not congressional district boundaries, it is going to be important that they be established consistent with the language in section 3.2, subsection 1. Those are the standards that would have to be used, whether they are congressional districts or some other boundaries. The language and the intent in [Exhibit C](#) makes sure that process is followed going forward.

MS. ROWLAND:

I would like to commend the Legislature for doing that. This is the first time we have seen language that recognizes the court decisions and takes them seriously. The reason I suggested congressional districts be set permanently is that I have a healthy skepticism, given the history. Every time the Legislature does something in this area, it restricts access to the process rather than expanding it. Rather than continuing to fight this ugly fight every Session, we know what the courts have said is okay; this is fair, equitable and cheap. That is what we prefer, and that is our position. But I do commend the Legislature and Ms. Erdoes for taking this seriously at long last and recognizing the federal principles of due process and one-man-one-vote that are here. This is clearly a step in the right direction.

With the amendment in place, we will change our position on S.B. 212 from opposed to neutral.

DAVID SCHUMANN (Chairman, Nevada Committee for Full Statehood):

I believe everything Ms. Rowland suggests can be accomplished by striking the words "until July 1, 2011" from the bill. Every ten years, the U.S. Census Bureau enumerates the people, and then the boundaries of the congressional districts are redrawn to ensure they have equal numbers. That huge cost comes if we try to set a different set of boundaries and ensure the numbers are equal. The federal government does it for us for nothing. If you let it be congressional districts and leave it at that, we will be in compliance with the federal courts forever without spending a dime. There is no reason to have anything but congressional districts. That is a fair and equitable way that guarantees every vote is equal and goes forward with no expense to Nevada.

COCHAIR HORSFORD:

I was on the Senate Committee on Legislative Operations and Elections in the last Legislative Session. I agree that the congressional district ruling makes

sense. However, we currently have at least one congressional district where you could collect all the signatures you need while standing on a single street corner, and it would not be representative of the entire State.

MR. SCHUMANN:

If you look at the practices of petition gatherers over the last 10 to 20 years, you will see that we have gone up to Elko and across the State. We could, as you say, gather all the signatures we need in Las Vegas alone, but we have never done so. I have seen no evidence whatsoever that people who gather signatures on petitions have any intention of ever doing that.

MS. ROWLAND:

If you accept Mr. Schumann's suggestion and the Legislature cannot come to an agreement next Session, or if they do something that is later found to be unconstitutional, the default will be congressional districts. As the bill stands, this will sunset. In that case, if the Legislature does something that fails, you will be back at 10 percent statewide. Taking out the sunset clause meets your needs better.

JANINE HANSEN (President, Nevada Eagle Forum):

I would like to touch on the idea that you can get all the signatures you need in one place. There was testimony from Assemblyman Harry Mortenson when S.B. 212 was heard previously that this is not really possible. It is logistically impossible to collect all the signatures you need at one Wal-Mart in one district.

I have several concerns about this bill. One of them is that we do not know how many petition districts there will be in the future. If we endorse this bill, we are endorsing a total unknown. It is open-ended and undefined, and that concerns us. I have been fighting over this issue for many years, and the congressional districts are the first idea I could accept. I understand Senator Rhoads' concerns; I live in Elko too, and I have petitioned in every county in Nevada. That has merit, because you get the feeling from the whole State. But that open-endedness, where you could end up with 42 or 50 districts, is a significant concern to me. If you are going to have petition districts, we ought to know what they are before we endorse them.

Another issue I want to bring up is in section 9 of S.B. 212, in which it says the Secretary of State will adopt regulations on how to comply with the bill. One of our concerns with the original bill was that in order to identify which district a person was in, they had to use an electronic device to check in with the Secretary of State. If you are collecting signatures and you have to do that with every signature, instead of collecting 15 to 20 signatures an hour, you might get 2 or 3 signatures an hour at best. People will not stand there while you do this. You have one minute to get a signature, and then your opportunity is gone.

Section 13 of [Exhibit C](#) requires the person signing a petition to indicate the petition district in which they live. People do not know their Senate district, Assembly district or congressional district, and these are well defined and can be easily looked up. How is each individual signer to know what petition district they are in when they have not been defined? In the past, it has been suggested that petitioners carry the entire printed voter list with them, which would mean I would have to go petitioning with a truck. When we went petitioning by county, all the signer had to know was their county. But to have to identify the petition district is going to be impossible for individual signers. I am concerned

about how the process will work because it is not identified in this bill, and it needs to be. If it is an electronic device, we oppose it. If it is carrying around a list, we oppose it.

We support congressional districts. If there is a better way, we are open to it. We want to include the whole State. We do not want to endorse something when we do not have a clue what it will result in. We hope you will continue with congressional districts until such time as the petition districts are defined and we can come to an agreement.

SENATOR COFFIN:

We all understand that we have to make a change. Senator Rhoads' bill goes too far, and the amendment brings it back to a level that is livable. What I worry about—and this is with all due respect to those who have asked us to make changes in the amendment—is that Nevada is becoming balkanized. Anyone with enough money who wants to bring something to the ballot in his own interest can hustle up people to gather signatures and create change that disrupts our institutions. When we make it too easy for the public to legislate on the hot-button issues of the day, and you get a million or two million behind it, in this small State, you can buy anything legislatively by just having enough signatures gathered. I do not want to see us become like California. Some of the people who are upset about changes in the petition process are vulnerable to being manipulated by those who want to make us like California. California's constitution has become longer than our statutes. I know we have to do something, but I am worried about what is happening here. The Legislative process is being subverted, and we do not have the same impact we once did. Nevada does not have a strong Legislature in relation to the Executive branch.

I have no trouble voting for this amendment and the bill as amended because it strikes a happy medium.

COCHAIR HORSFORD:

I will support the motion as well. I would like to continue to work with Ms. Hansen and others on the language pertaining to signers indicating their petition district. The other provisions of the bill are critical and need to move.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:

I will close the hearing on S.B. 212 and open the hearing on S.B. 208.

SENATE BILL 208: Excludes certain occupations from the payroll tax imposed upon financial institutions. (BDR 32-1142)

COCHAIR HORSFORD:

Senate Bill 208 is a bill we have not heard and Cochair Mathews had no plans to process. I have an amendment that proposes to change the bill in its entirety (Exhibit D). The amendment addresses an issue that came out of the passage of S.B. 429.

SENATE BILL 429 (1st Reprint): Provides additional revenue for the provision of governmental services. (BDR 32-1320)

JOHN PAPPAGEORGE (Republic Services):

I have a short written statement explaining the purpose of the amendment ([Exhibit E](#)).

SENATOR COFFIN:

We had full hearings on the original S.B. 208 in the Senate Committee on Taxation. We felt it was meritorious and passed it, but it is now clear that we cannot afford to do it right now, since the cost would be \$2.8 million for biennia after 2010-2011. This is a good vehicle for language we have used before to make sure organizations can pass increases through to franchisees, and I support the amendment. However, the original intent of S.B. 208 should be considered in the future at some point. It corrects an inequity that was inadvertently created in the 72nd Session.

SENATOR RAGGIO:

What sorts of franchises are we looking at in [Exhibit D](#) that would have the ability to raise their rates of their own volition?

MR. PAPPAGEORGE:

I am specifically talking about solid waste haulers in the local governments.

SENATOR RAGGIO:

Are you saying they would be affected by the tax increase because of business license fees and sales tax?

MR. PAPPAGEORGE:

We are talking about any tax presented by the State.

SENATOR RAGGIO:

Would this apply to all public utilities and other entities that have a franchise from a local government? Are you intending that without any other process, they would be able to unilaterally raise their rates?

MR. PAPPAGEORGE:

Yes.

SENATOR RAGGIO:

Who would monitor that? Who would know that the rate increase is justified and limited to the impact of the tax increase? How would it be monitored?

MR. PAPPAGEORGE:

Historically, in Clark County, the local franchise provider has gone to the local governments and discussed the rate increase, then they agreed on what the increase should be based on the law.

SENATOR RAGGIO:

I understand that, but the way this is written, they do not have to do that. This gives them the ability to raise the rate on their own.

MR. PAPPAGEORGE:

I believe you are right. We took it word for word from statute, and the way it was done before was as I described it. Perhaps the Legislative Counsel Bureau's Legal Division can expand on it.

COCHAIR MATHEWS:

I asked the same question. Does this go back to the county commissions? How is it done now? Do they have to negotiate with the local government for that area?

MS. ERDOES:

The public utilities are covered by the Public Utilities Commission of Nevada, and local government franchisees would be covered by the local government with which they had the agreement. Those franchise agreements contain the rates. What this amendment does is put this amount outside those rates. But it is contemplated that there would still be agreement, as Mr. Pappageorge indicated. The last time this language was passed, there was agreement as to how much that rate would go up by that local government.

COCHAIR MATHEWS:

I would hate for us to dictate to local government what should be negotiated locally. My concern is that we are making those decisions for them.

MS. ERDOES:

As it is written, the bill would not require a vote of the local government specifically to implement the increase that would go into effect.

COCHAIR MATHEWS:

Is the local government's vote currently required?

MS. ERDOES:

Yes.

MR. PAPPAGEORGE:

Historically, they have gone to the local governments, discussed what the rates should be and agreed on the rates.

COCHAIR MATHEWS:

That is my concern. I have always believed that the best government is the one closest to the people. I am concerned we are taking away one more decision from the people closest to those who will be affected by a rate increase—that we are sitting here in Carson City making a decision about how much garbage collection should cost in Las Vegas. I do not think that is what we are intending to do. That decision ought to occur in Clark County. Ms. Erdoes, is that what this bill does?

MS. ERDOES:

Yes. Part of the consideration here is that for the franchise fees, there is a franchise agreement which states those fees. What this is doing is putting it outside of that amount because those agreements are binding as they exist currently.

COCHAIR MATHEWS:

I do not want to be wrong in my assessment, but I also do not want to be a party to people in Carson City making decisions about fees charged to a local government. We have already done a lot of things to local government in this Session that I was not happy about.

SENATOR COFFIN:

This bill is trying to steer a middle course between two unpleasant alternatives. The proponents came to us with this idea when S.B. 429 was being discussed. If we do not enact this bill, we can continue with the same process we currently have, where the franchisees hire lobbyists and lawyers, go to the local governments and argue this out and spend a lot of time and money, and all of this ends up in the rates.

COCHAIR MATHEWS:

It is going to end up in the rate either way.

SENATOR COFFIN:

I am not arguing with you. I am just saying the present process is expensive. Every time these guys spend a million dollars on lobbyists and lawyers to try to get through the rate increase, which they are ultimately going to get because their contract will allow them to get it, it comes back on our rates. This bill is a way to save money. That is the only reason I would have considered entertaining this kind of amendment. It is not a question of messing with local governments' prerogatives.

COCHAIR HORSFORD:

I want to explain why I am willing to support the amendment. Section 3 of S.B. 429 is the modified business tax (MBT), which we increased from 0.63 to 1.17. In 2003, when that tax was enacted, this language was adopted to allow them to recoup the expense of that tax through the franchise process. This language was not included in S.B. 429 because we did not process this provision in the bill.

The provision in [Exhibit D](#) is consistent with current law. It is my understanding that there is still some process, but this allows it to be consistently applied throughout the entire State rather than local to local. We impose the MBT at the State level, and I believe this provision is consistent with the current practice as it was handled in 2003. That is why I am supporting the amendment, because I want to follow the processes as we currently have it. I appreciate the comments of the other Committee members, their concerns about not going around local government, but I do not think that is the current process because of how the MBT was imposed previously.

COCHAIR MATHEWS:

Does this mean S.B. 208 would apply throughout the State?

COCHAIR HORSFORD:

Yes. This is a statewide measure, and that was the intent all along.

CAROLE VILARDO (Nevada Taxpayers Association):

If [Exhibit D](#) is intended to follow S.B. 429, it should include a sunset provision. As currently worded, in effect it applies to any tax imposed on the MBT prior to 2011. If the Legislature chooses to modify the MBT, per the sunset provisions in S.B. 429, this does not adjust.

It should also be noted that in addition to trash services, this also applies to cable fees.

COCHAIR MATHEWS:

I was under the impression it applied to all the fees.

COCHAIR HORSFORD:

I would like to hear from Ms. Erdoes regarding Ms. Vilardo's point about sunset provisions.

MS. ERDOES:

We thought this was coordinated with that sunset because of the July 1, 2011, date. Are you asking that the additional rate go away at that point? This says that you can only recover the amount you incur from July 1, 2009, when it goes into effect, through July 1, 2011. I am not sure I can see any effect of sunsetting this because it only applies to that period anyway.

MS. VILARDO:

If the franchise agreement has a change in it, the change is basically going to be negotiated at this point, not every quarter that the tax is paid. As I read this, it is any amount of the tax liability on the franchisee before July 1, 2011, which means that all of this negotiation is for what was imposed prior to July 1, 2011. But that rate does not go away. It continues, unless for some reason the franchise agreement is due to expire at that point, and some of these franchise agreements are for 10, 15 or 25 years.

SENATOR RAGGIO:

I have a little better understanding now. I thank the members of the Committee who have dealt with this previously and appreciate the reminder that this was language used previously. However, Ms. Vilardo has a good point, and I appreciate Ms. Erdoes' indication that apparently the rate would reduce to the extent that it is no longer part of the cost to the utility. However, if we adopt this amendment, two things ought to be made clear. We ought to specifically indicate that the rate would be reduced in the event the increase ceases or terminates. We should also have a provision that would require some report at an appropriate time to the local government as to how the rate increase was calculated so there is some monitoring of that amount.

COCHAIR MATHEWS:

Ms. Erdoes, can we incorporate Ms. Vilardo's and Senator Raggio's suggestions into the amendment and still act on the bill now?

MS. ERDOES:

Yes. I just want to be sure I understand. Do you want the sunset? I believe the sunset would effectively take away the authority to have this increase.

SENATOR RAGGIO:

We want whatever language accommodates the right of the utility to recoup the cost of the tax increase whenever that occurs. Also, within some appropriate time after the rate is increased, the utility must report to the local government the calculation upon which the rate increase was implemented.

COCHAIR MATHEWS:

How would you word the motion, based on that?

MS. ERDOES:

I believe you would be voting on the language in [Exhibit D](#), plus adding a requirement for the franchisee or the public utility to report to the local government, after the increase is put into effect, the amount that was calculated and how that was calculated to apply. If we add a sunset clause, it will take away that authority for this increase to be made. That would accomplish what you are looking for.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 208 WITH AMENDMENT NO. 5479 WITH THE ADDITION OF A SUNSET CLAUSE AND LANGUAGE REQUIRING REPORTS TO LOCAL GOVERNMENT AS DESCRIBED.

SENATOR RHOADS SECONDED THE MOTION.

COCHAIR HORSFORD:

I just want to put on the record—because I said earlier with the increase from 0.63 to 1.17, that the language in here may increase its previously approved rates by an amount which is reasonably estimated to produce an amount of revenue equal to the amount of any tax liability incurred, which I think is an important, just, thing to put on the record, because there's actually a tax cut for the first \$250,000 for all non-financial entities, and so whatever the tax liability is needs to be factored on all of it, not just the increase from 0.63 to 1.17. It needs to be with the tax cut on the first \$250,000. Because, you know, this is basically going to get passed on to the consumer, and it needs to be as minimal as possible.

COCHAIR MATHEWS:

I just want to put on the record ... that when the majority leader talked about I wasn't going to hear this bill, it was only because it was—had so much money in it, there would be no point in hearing it. ... With this amendment, that changes all of that.

THE MOTION CARRIED UNANIMOUSLY.

COCHAIR MATHEWS:

I will close the hearing on S.B. 208 and open the hearing on S.B. 236.

[SENATE BILL 236 \(1st Reprint\)](#): Revises provisions relating to certain programs for criminal offenders and parolees. (BDR 14-896)

SENATOR DAVID R. PARKS (Clark County Senatorial District No. 7):

This bill stems from a recommendation from the Advisory Commission on the Administration of Justice. I proposed an amendment ([Exhibit F](#)). This bill proposes to establish a fund where contributions, grants and other monies may be deposited to be used for programs for individuals released from prison, whether they have served their full sentence or are released on parole or probation. The major interest here comes from the religious community and their interest in trying to put together pastoral programs within their churches. They

want a way for funds to be donated to the State to help sponsor those programs. With my amendment, there is no cost to the State with this bill.

SENATOR RAGGIO:

This is a worthy objective. Where do you anticipate the funding will come from?

SENATOR PARKS:

I have been informed that a number of church groups have indicated they would like to participate in programs and would be willing to make personal donations. Certain foundations have come forward that would be likely possibilities for funds for these programs. The Pew Charitable Trust has been very active in Nevada. This might also be a great avenue to use money from the American Recovery and Reinvestment Act of 2009.

SENATOR RAGGIO:

I appreciate that. I did not think it was realistic to expect offenders to be able to come up with the kind of fees in the original bill. If it can be funded in that manner, it is a good program. We really do not do enough for people on parole or probation, and some reentry program would be very helpful. Currently, we have the Ridge House in Reno and a few others. Would the Ridge House come under this?

SENATOR PARKS:

Yes, the Ridge House would be a good recipient. In southern Nevada, we have had a number of programs that, due to zoning requirements and the like, have had to close down their operations. We think this would be helpful.

SENATOR RAGGIO:

Over the years, they have been very successful to the extent that funding has been available.

SENATOR RAGGIO MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 236.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:

I will close the hearing on S.B. 236 and open the hearing on S.B. 303.

SENATE BILL 303 (1st Reprint): Enacts the Interstate Compact on Educational Opportunity for Military Children. (BDR 34-186)

SENATOR DENNIS NOLAN (Clark County Senatorial District No. 9):

I have an amendment to S.B. 303 ([Exhibit G](#), original is on file in the Research Library). This bill is Nevada's version of adopting the Interstate Compact on Educational Opportunity for Military Children. What the amendment does is relieve the State of almost all the fiscal impact of the original bill. I have a letter from Dr. Laurie Crehan, who is the U.S. Department of Defense's Quality of Life State Liaison for the Pacific Region, regarding the need for this bill ([Exhibit H](#)).

The only remaining fiscal note is approximately \$4,000 to \$4,500, which can be handled through gifts, grants and donations, for the fees of the Compact. The military installations had testified that they cannot commit to paying even the smallest amount to a State without some type of congressional approval. They did say they would be wholly responsible for paying that sum through gifts, grants and donations.

SENATOR RHOADS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 303.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:

We will recess this meeting at 10:49 a.m. until the call of the Chair.

The meeting is adjourned at 4:46 p.m.

RESPECTFULLY SUBMITTED:

Lynn Hendricks,
Committee Secretary

APPROVED BY:

Senator Bernice Mathews, Cochair

DATE: _____