

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Seventy-Sixth Session
May 6, 2011**

The Committee on Commerce and Labor was called to order by Chair Kelvin Atkinson at 12:50 p.m. on Friday, May 6, 2011, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Kelvin Atkinson, Chair
Assemblyman Marcus Conklin, Vice Chair
Assemblywoman Irene Bustamante Adams
Assemblywoman Maggie Carlton
Assemblyman Richard (Skip) Daly
Assemblyman John Ellison
Assemblyman Tom Grady
Assemblyman Crescent Hardy
Assemblyman Pat Hickey
Assemblyman William C. Horne
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Kelly Kite
Assemblyman John Ocegüera
Assemblyman James Ohrenschall
Assemblyman Tick Segerblom

COMMITTEE MEMBERS ABSENT:

Assemblyman Ed A. Goedhart (excused)

GUEST LEGISLATORS PRESENT:

Senator Joseph P. (Joe) Hardy, Clark County Senatorial District No. 12
Senator Mark Manendo, Clark County Senatorial District No. 7
Senator Barbara Cegavske, Clark County Senatorial District No. 8
Senator Valerie Wiener, Clark County Senatorial District No. 3

STAFF MEMBERS PRESENT:

Marji Paslov Thomas, Committee Policy Analyst
Sara Partida, Committee Counsel
Andrew Diss, Committee Manager
Earlene Miller, Committee Secretary
Sally Stoner, Committee Assistant

OTHERS PRESENT:

Brett Kandt, Special Deputy Attorney General, Office of the Attorney General
Paula Berkley, representing Food Bank of Northern Nevada and Nevada Network Against Domestic Violence
Phil Johncock, Owner, 4Grants.Net, Reno, Nevada
Elisa Cafferata, representing Nevada Advocates for Planned Parenthood Affiliates
Becky Helm, Owner, Grant Writing USA, Las Vegas, Nevada
Helen Foley, representing Building Hope Nevada
Vincent Jimno, Executive Director, State Board of Cosmetology
Curprice Smith, Owner, Angel Hair Braids, Beverly Hills, California
Keith Lee, representing State Contractors' Board
Bob Varallo, representing Nevada Association of Manufactured Home Owners
Alisa Nave, representing Manufactured Home Community Owners Association
Mary Fischer, Owner, Cottonwood Mobile Home Park, Carson City, Nevada
Fidel Salcedo, Mobile Home Park Owner, Reno, Nevada
Jim deProsse, Administrator, Manufactured Housing Division, Department of Business and Industry
Al Fischer, Owner, Cottonwood Mobile Home Park, Carson City, Nevada
Ken Tveit, Private Citizen, Carson City, Nevada
Tom Hamilton, Private Citizen, Carson City, Nevada
John Rotheram, Private Citizen, Carson City, Nevada

Neena Laxalt, representing Nevada State Board of Veterinary Medical Examiners
Joan Hall, President, Nevada Rural Hospital Partners Foundation
Jeanette Belz, representing Nevada Academy of Ophthalmology
Denise Selleck Davis, Executive Director, Nevada Osteopathic Medical Association
Michael Hackett, representing Nevada State Medical Society
Chris Ipsen, Chief Information Security Officer, Department of Information Technology
James Earl, Executive Director, Technological Crime Advisory Board, Office of the Attorney General
Rebecca Gasca, Legislative and Policy Director, American Civil Liberties Union of Nevada
Russell Rowe, representing TechAmerica

Chair Atkinson:

[The roll was taken, and a quorum was present.] We will open the hearing with Senate Bill 99 (1st Reprint).

Senate Bill 99 (1st Reprint): Makes various changes concerning consumer protection. (BDR 52-127)

Senator Joseph P. (Joe) Hardy, Clark County Senatorial District No. 12:

This bill came about because of all of the scam artists who masquerade as grant writers and take advantage of people by saying we will get you money if you give us money up front. This bill has no legislative intent to hurt or to prevent nonprofit arts and cultural organizations from doing their work. We need to protect organizations that are financed in whole or in part through individual memberships, gifts, and grants from charitable foundations. This bill does not intend and should not hurt those organizations and their on-staff grant writers. This bill has been heavily amended from its original version so the Director of the Department of Business and Industry can have a website upon which a person can register as a grant writer at no cost. If the grant writer does something nefarious, the grant writer is subjected to the deceptive trade practices already in statute elsewhere.

Chair Atkinson:

Are there any questions from the Committee?

Assemblywoman Carlton:

I know that this is a real problem. My concern is that if you are going to put a person's name on the website, how do we verify that this person is valid and

we are not giving "bad guys" the opportunity to advertise on a state website? What type of verification process will there be?

Senator Hardy:

I think you asked the question that I tried to get to in the first place. I was not able to solve that problem. I think if you say you are a grant writer, and you are willing to put your name on the website and be subjected to the scrutiny of people, now I know that you are liable for the deceptive trade practice. It will be on the website.

Assemblywoman Carlton:

I have some concerns that the state could have some liability, because we are in essence endorsing someone by allowing them to put their name on a state website, but we are not doing any verification. If I saw a name on one of our websites, I would think we had checked them out. We could be giving credence to people who are trying to take advantage of people.

Senator Hardy:

I share your concerns and would like to work with you.

Chair Atkinson:

Are there any questions from the Committee? I see none. Are there others to speak in favor of S.B. 99 (R1)?

Brett Kandt, Special Deputy Attorney General, Office of the Attorney General:

Our office supports this bill and we appreciate Senator Hardy bringing it from the consumer protection standpoint.

Chair Atkinson:

Are there any questions from the Committee? I see none.

Paula Berkley, representing Food Bank of Northern Nevada and Nevada Network Against Domestic Violence:

There was a little confusion, which I spoke about with Senator Hardy and which I think we could work out in the work group. It concerns in-house grant writers. I think it would help if we can clarify either through legislative intent or amendment whether in-house grant writers should have to register.

Chair Atkinson:

Are there any questions or comments from the Committee? I see none.

Phil Johncock, Owner, 4Grants.Net, Reno, Nevada:

My business has provided grant writing education and training for 18 years in Nevada. I have three proposed amendments.

[Read from prepared testimony ([Exhibit C](#)).]

Chair Atkinson:

I asked for testimony in favor of the bill. Did you provide your amendments to the Committee?

Phil Johncock:

I provided them.

Chair Atkinson:

Is there anyone else in favor of S.B. 99 (R1)? I see none. Does anyone wish to speak in opposition to the bill?

Phil Johncock:

I am against the bill, and I suggested some amendments in my testimony.

Chair Atkinson:

Senator Hardy, have you seen these amendments?

Senator Hardy:

I have just seen them, and I think Mr. Johncock has legitimate concerns.

Phil Johncock:

The first amendment is to exempt legitimate grant writing education and training organizations.

[Continued to read from prepared testimony ([Exhibit C](#)).]

Chair Atkinson:

Are there any questions or comments for this witness from the Committee?
I see none.

Elisa Cafferata, representing Nevada Advocates for Planned Parenthood Affiliates:

We had a couple of concerns. One will be addressed by the clarification of whether staff members, including executive directors, development officers, and fund-raising staff, would be required to register. Often grant writing is a team effort, and whoever has the time gets drafted into the process. One of our concerns is in section 13, which states that a grant writing service cannot

charge solely for a referral to another person or organization which provides grants. I am not an attorney, but this language might seem to make a couple of things that are fairly standard practice illegal. We subscribe to the Foundation Directory Online, which is solely an online directory of grant making organizations. It seems that would be illegal under this language. Second, when a nonprofit conducts a capital campaign to do a sizeable fund-raising effort to build a facility, it will hire a consultant to do feasibility study. In the course of that study, they will refer the nonprofit to specific individuals or foundations that can make a certain capacity level of gift. That would appear to be prohibited under this language as well.

Chair Atkinson:

Are there any questions from the Committee? I see none. Is there anyone else to get on the record?

Becky Helm, Owner, Grant Writing USA, Las Vegas, Nevada:

We have been doing business in Nevada since 1996. We are a training company that educates city, county, and state governments and 501(c)(3) corporations about how to write a successful grant proposal, manage grants, and find funding sources. We are very aware of the companies that are preying on individuals and small businesses. We appreciate the intent of the bill. However, the bill as written puts a blanket over everybody who is doing legitimate education and training with city, county, and state government across the country. We have 30,000 alumni who have attended our workshops with not one complaint. I agree with Phil Johncock on section 7.3, regarding the advice and assistance to a buyer, and I suggest that be removed or amended to exclude companies that strictly do grant writing education. The companies that you are talking about are headquartered in Las Vegas. They have been moving their offices for years and years. They prey on small businesses, and they promise to write grants for money that does not exist. However, the bill as written takes good business out of Nevada. It encompasses everyone under a bill that will probably still leave the "bad guys" doing business the same way. They will continue to move their offices and continue to practice their business, which harms small businesses and people. I am 100 percent in support of the changes requested by Phil Johncock.

The mailing address is challenging for most businesses in Nevada that write grants in a home office. Our Clark County license does not allow us to have clients at our offices, and we do not need clients to come to our offices. We train across the country. We have an online registration system with a published cancellation policy and an acknowledgement of understanding. We use the same system that colleges across the country use, but we cannot

have a contract with 500 individual people per month who attend our workshops. I ask you to examine this. I have sent in my testimony ([Exhibit D](#)).

I ask you to look at the long-range impact that it will have and maybe make some revisions to the bill.

Chair Atkinson:

Are there any questions from the Committee? I see none.

Helen Foley, representing Building Hope Nevada:

This bill is a good idea which had a lot of ramifications that were not anticipated. I will continue to work to resolve some of these issues.

Chair Atkinson:

Are there any questions from the Committee? I see none. Is there anyone else wishing to get on the record for S.B. 99 (R1)? I see none.

Senator Hardy:

The fiscal note has been removed because of the structure. I will work with the parties to this bill to get the "bad guys" out and the "good guys" in and keep Nevada going with its jobs without hurting education in any way.

Chair Atkinson:

Are there any other questions or comments regarding S.B. 99 (R1)? Seeing none, I will close the hearing on S.B. 99 (R1). We will open the hearing on Senate Bill 193.

Senate Bill 193: Makes various changes concerning the State Board of Cosmetology and persons and practices regulated by the Board.
(BDR 54-637)

Senator Joseph P. (Joe) Hardy, Clark County Senatorial District No. 12:

I have Vincent Jimno, the Executive Director of the State Board of Cosmetology, here to present this bill. We have provided an amendment ([Exhibit E](#)).

Vincent Jimno, Executive Director, State Board of Cosmetology:

Senate Bill 193 was submitted with four elements to make changes to statutes within *Nevada Revised Statutes* (NRS) Chapter 644 which governs the Board of Cosmetology's authority. The first change was a repair to legislation from last session which gave us the authority to certify individuals in the practice of threading. The dialogue was intended to provide the Board authority to regulate sanitation and infection control. The second issue was to clarify wording of the

qualifications in all of the licenses concerning citizenship or legal residency. The wording we used was similar to other boards and commissions. That is addressed in sections 2 through 8. The third issue developed in 2007, when we converted our licensing renewal system to a Department of Motor Vehicles (DMV) formatted system where you relate the individual's license to his or her birth date. It did not work because there were so many different configurations of companies and partnerships. We are asking for a minor change in wording that will resolve the problem.

Our final issue addresses problems we have had with surety bond requirements since the recession started. In 2005, a new format was installed to protect the students. It grandfathered all of the existing schools as of June 30, 2005, with the requirement of a \$10,000 surety bond, and all new schools thereafter would be required to use a formula that gave a maximum amount of surety bond of \$400,000 with a formula that always resulted in a larger amount. The Board has faced the issues relating to this section and recommends the repeal of that part of the statutes. The Senate, after a discussion which included the Insurance Commissioner, approved the repeal of NRS 644.383. Assemblywoman Carlton suggested we continue to request the repeal of the surety bond and to use a new formula which states that the schools would no longer be allowed to sign a contract with a student and collect all monies on the front end. The schools would be allowed to collect only 25 percent at a time. They cannot progress to the second 25 percent until at least 75 percent of the instruction that has been paid for has been delivered. That reduces the exposure to a miniscule amount in comparison to the entire cost.

A second amendment has been submitted after the bill passed in the Senate. It creates a new license to do hair braiding. Hair braiding is done by licensed cosmetologists who have 1,800 hours of education or hair designers who have 1,200 hours of education. There is a national effort to move hair braiding into its own license classification at a much lower level of training. Those people can only do hair braiding. The mock-up of the amendment has been provided ([Exhibit E](#)). We are saying that hair braiders should not have to have 1,200 or 1,800 hours of education if they are only going to do hair braiding. There should be a lesser number of hours of education and qualification. We recommend that the training be 250 hours. We are also allowing hair braiders who are licensed in other states to be licensed in Nevada through a credential verification process that confirms they are properly licensed. They will need to pass tests on Nevada law and be able to demonstrate knowledge on a simple written examination about sanitation and infection control procedures. The third option is for people who claim a previous history of training and cultural heritage and who can be licensed through an affidavit process. They would sign a notarized affidavit about their experience and

history; take the three examinations about Nevada law, sanitation, and infection control procedures; and give a practical demonstration that shows they can practice their skill safely and would be able to recognize all of the important issues in providing the service.

We checked with the Office of the Governor about creating a new license when we are lowering the requirements. There was some affinity towards the idea. We have tried to identify all the issues in the mock-up. Everything in the mock-up is the same as for all other licenses. It is similar, consistent, and matches what we have had passed previously. In the mock-up, we believe we have included all issues brought up about this bill and answered specific questions by individuals.

Chair Atkinson:

Are there any comments?

Assemblywoman Carlton:

I appreciate Ms. Belz and Mr. Jimno meeting with me to discuss the issues in the bill. I believed we still needed the surety bond for the protection of the students, but it appears that surety bonds are becoming extinct because people cannot get or afford them and end up dropping them. The student has no protection. With this new procedure, which I believe will work, it will allow the owner/operator of the school to be paid while still protecting the student. After students get to a certain point in their education, if the school failed, there would be opportunities to place the students in different schools to help them finish their educations. These schools are very expensive.

Vincent Jimno:

Some of the schools cost as much as \$18,000.

Assemblywoman Carlton:

To have a family make that kind of investment in this type of education, and not have any protections built in, is a problem. I feel this is a good plan and understand the braiding component. I am curious if the \$200 fee is comparable to other licensing?

Vincent Jimno:

The fee is a standard fee for all licenses. The \$75 fee has been set, so a range would not be put in and a new fee established. The issue of the establishment is that there are no licensed establishments for hair braiders. It would have to be in a cosmetologist's establishment. The people who are hair braiders envision having their own shops. That is consistent with our regular licensing

procedure, but a new fee may be considered. We are aware that could be a problem.

Assemblywoman Carlton:

I want to thank the proponents of the bill for meeting with me in advance to work out some of these issues.

Chair Atkinson:

What happens to the people who are already doing this? If they are doing it under a cosmetology license, do they need both?

Vincent Jimno:

We are actually allowing a specialty portion of a bigger scope of practice to be practiced individually. It makes a growth pattern. A braider could be licensed as a braider, and if they find they want to do more, they can progress to the hair designer program. A fully licensed cosmetologist can do everything in the Chapter. The hair braider gives another level to the system that meets the needs of all the parties.

Chair Atkinson:

This is for someone who wants only to be a hair braider?

Vincent Jimno:

That is correct.

Chair Atkinson:

Are there additional questions from the Committee? I see none.

Assemblywoman Bustamante Adams:

Being a hair braider does not make them a full cosmetologist?

Vincent Jimno:

That is correct. They can only do hair braiding. In the mock-up you will see a definition which clearly states what they can and cannot do.

Assemblywoman Bustamante Adams:

Can you repeat your testimony about the affidavit of experience?

Vincent Jimno:

We have tried to accommodate people who come from different countries and who have had training through cultural or heritage experience. The affidavit procedure allows us to say the person is testifying under oath that they have experience elsewhere that we cannot verify in this country. We are allowing

them a vehicle to become licensed by showing us they can pass the law test, the sanitation and infection control test, and demonstrate effectively that they can do it safely within the parameters that cosmetologists know it should be done.

Assemblywoman Bustamante Adams:

Why do you see a need for that?

Vincent Jimno:

This issue is that there is a large cottage industry of what we call "kitchen braiders" who do it in their homes and are not regulated. There is no way to know if they can do it safely by using the proper procedures to protect against the transfer of diseases and/or injury to the clients. The braiders want to be licensed and legitimized as an industry. They cannot do it under the current configuration because they have to be a hair designer or cosmetologist.

Chair Atkinson:

The people who are doing it in their kitchens probably will not become licensed anyway.

Senator Hardy:

In the mock-up, you will see a lot of green printing. Most of the green adds the hair braiders to the statute. This amendment would probably require a two-thirds vote on this bill because it creates a new type of establishment as well as a new examination. It is a lesser examination, but there is a charge for the examination. If the Committee agrees with the concept and the policy of the hair braiding, including this portion of the amendment, it will require a two-thirds vote. To answer Assemblywoman Bustamante Adams' question about whether there is a market for hair braiding, yes there is. Curprice Smith will explain why that market exists.

Curprice Smith, Owner, Angel Hair Braids, Beverly Hills, California:

My goal in bringing this is to be able to provide the same delicate services that we provide in California to the State of Nevada. For braiders to have to undergo the same licensing as someone who does something completely different from us is really unfair and takes away from time that we can earn a living in the State of Nevada as we do in other states. Braiding is a natural business. We do not use chemicals or the same products as cosmetologists. We cater to people who have hair loss due to chemotherapy, due to lupus, and as the result of damage done by chemicals used by cosmetologists on their hair. I had a client who had issues due to having lupus. We were able to help her naturally, with no products or chemicals, by simply braiding her hair. As a result, she has had hair growth and her self esteem has soared. All this is

through the use of no chemicals whatsoever. Our goal is to be able to braid hair without the imposition of a cosmetology or hair design license, which includes many hours and dollars for training that has nothing to do with braiding. It is completely opposite of what we do as a business.

Chair Atkinson:

Are there any additional questions or comments from the Committee? I see none. Is there anyone else to speak in favor of S.B. 193? I see none. Is there any opposition? I see none. Is there any neutral testimony? Seeing none, Senator Hardy, do you have any comments?

Senator Hardy:

I wanted say that it took Ms. Smith 40 hours to have her hair braided.

Chair Atkinson:

Is the Committee comfortable with this bill?

ASSEMBLYMAN SEGERBLOM MOVED TO AMEND AND DO PASS
SENATE BILL 193.

ASSEMBLYMAN OHRENSCHALL SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN GOEDHART AND HORNE
WERE ABSENT FOR THE VOTE.)

I would like to thank Assemblywoman Carlton and Senator Hardy for working on the bill. I will open the hearing on Senate Bill 351 (R1).

Senate Bill 351 (1st Reprint): Revises provisions governing disciplinary action against contractors. (BDR 54-225)

Senator Joseph P. (Joe) Hardy, Clark County Senatorial District No. 12:

This bill began because someone said there was a problem with contractors not doing what they were supposed to do. This would be a lien system on the contractor. In section 4, subsection 1 of the bill, the Department of Taxation is required to "notify the State Contractors' Board in writing of the name and license number of the contractor and the amount of the lien, including interest and penalties." The name was previously reported to the Board with no license number, and the Board was unable to find out who the violator was because there were numerous people with the same name. The fiscal note is removed because the cost of the hearing is recovered from the contractor. Section 1, subsection 2 states that, "A written notice received by the Board pursuant to subsection 1 creates a rebuttable presumption of the validity of the lien

described in the notice.” What happens is that the person who has a lien against him will say that it was not really me. This notification evades that contention.

[Chair Atkinson hands the gavel over to Vice Chair Conklin.]

Assemblyman Hardy:

In one section, it talks about suspending the license or revoking it. I will disclose that I am a contractor. If the license is suspended by the Contractors’ Board, in this economic climate when contractors are not getting paid, this could potentially put a contractor out of business and cause bankruptcy.

Senator Hardy:

I think the Board and the Department are sensitive to that. In section 1, subsection 1, on line 9, the last word is “may.” It gives them alternatives of what they can do, which is sensitive to our current circumstances.

Vice Chair Conklin:

Are there any questions from the Committee?

Assemblyman Daly:

It causes me concern that it is a “may” and the Board of Contractors might not take action. I would like to see stronger sanctions. I think paying workers’ compensation insurance needs to be high on the list of priorities for a contractor, because if you do not pay it, you risk your license. It needs to be clearer and stronger because the contractor is damaging everyone else in the state if he does not pay those premiums.

Senator Hardy:

I understand, and the lien does hold them accountable, but it gives the Board flexibility.

Assemblywoman Carlton:

My concern with this bill stems from a conversation with representatives from the Office of the Attorney General. We have in place a way for divisions to work with the Office of the State Controller to collect fees. To go after someone’s business license on top of it, I would agree with Assemblyman Hardy, may be more involved than the payment. I do not want someone who is abusing the system to continue to do so, but I do not want to have the Board of Contractors holding the bag if one of these issues is appealed or there is an overzealous administrator who forwards the information and it was not a well-founded complaint. I am not sure this kind of hammer belongs to the Board. I was under the impression that somewhere in the Board’s statute

it says if a contractor is found to be breaking the law or acting of bad character, he could be brought in front of the Board for questioning. I would think that these issues already fall within the Board's purview.

Keith Lee, representing State Contractors' Board:

You are absolutely correct, Assemblywoman Carlton. We now work on a cooperative basis with several of the state agencies in trying to collect outstanding debts to the agencies. This is not a bill requested by the Board of Contractors. Senator Hardy allowed us to work on some amendments if we are in the business of collecting these debts, to allow us to recover the cost of these debts and to limit the scope of the hearing to two questions. The questions are: are you the person named in this lien and have you paid the lien?

Vice Chair Conklin:

Are there any other questions from the Committee? I see none. Is there anyone else in support of S.B. 351 (R1)? I see none. Is there anyone in opposition to this bill? I see none. Is there anyone wishing to get on the record in the neutral position? I see none. I will close the hearing on S.B. 351 (R1). We will open the hearing on Senate Bill 266 (1st Reprint).

Senate Bill 266 (1st Reprint): Revises provisions governing the possession of pets by tenants of a manufactured home park. (BDR 10-960)

Senator Mark Manendo, Clark County Senatorial District No. 7:

I have been active in manufactured home legislation, and it was brought to my attention that there are manufactured home parks which do not allow pets. It is our intention to have in statute that citizens who are taxpayers and own their homes and rent their space should be allowed to have a pet. There are some mobile home communities that allow pets, and they have rules and regulations. We have no problem with the rules and regulations as long as the homeowners can have a companion. Many older people live in manufactured housing communities, and studies show that Alzheimer's patients have fewer anxious outbursts if they have an animal in their home. Pets provide companionship and exercise. Midland Life Insurance uses pet ownership as positive indicator as part of their screening. Heart attack patients who have pets survive longer than those without. Male pet owners have fewer signs of heart disease and lower cholesterol levels. People should be allowed to have a companion.

Vice Chair Conklin:

There is a proposed amendment from Mary Fischer and Fidel Salcedo.

Senator Manendo:

I am familiar with that amendment and do not consider it to be a friendly amendment.

Vice Chair Conklin:

Are there any questions from the Committee?

Assemblyman Hickey:

I understood the amendment asks to "grandfather in" certain manufactured home parks that already had it in their rules and regulations that they did not allow pets. Would your bill preclude any future owners from creating a business that would not allow pets?

Senator Manendo:

If the bill is passed, the residents would have the option to have a pet, but there could be rules in place.

Assemblyman Hickey:

Your bill would not allow communities to create rules for themselves. People move into communities knowing the rules. This would preclude communities from excluding pets if they choose.

Senator Manendo:

That is correct.

Assemblyman Ohrenschall:

I am pleased that Senator Manendo sponsored this bill. In my district, I have seen many of my aged constituents have pets who are big parts of their lives. Manufactured homes are very expensive to move, so people are stuck when the rules change. I do not think this is too much to ask. I support the measure.

Assemblyman Hardy:

I also believe there are benefits to having youths in adults' lives, and we have adult parks that restrict children from living in the parks. Where does this end? If you restrict a mobile home park about pets, can we then legislate that adult parks must allow children?

Senator Manendo:

There are parks restricted to people 55 years and older, but it is not a lot to ask to allow people to have a cat or a dog. I do not know what will happen in the future.

Vice Chair Conklin:

Are there any other questions from the Committee?

Assemblywoman Carlton:

I look at this from the perspective that this is someone's home. They own the home but they rent the ground upon which it sits. I own a home and pay property taxes. The municipality tells me only how many pets I can have and how they are supposed to behave and the rules and regulations for being a good neighbor when I have a pet. The city does not tell me I cannot have a certain type of pet. I see this as a similar situation. These are not rental properties. It would be different if it was a rental property. It would not belong to me, and the owner of the property could set the guidelines. These people own their own homes and want to have a pet. They are being told by an outside force that it is their house but they cannot have what they want in it. I see that as wrong.

Vice Chair Conklin:

Are there additional questions from the Committee?

Assemblyman Grady:

The manufactured home owners know what the guidelines are when they rent the property. What happens if the park is not set up with a place to walk dogs? There may be places that are not set up to accommodate animals. If we pass this bill, the owner of the park is going to have to do something to accommodate the space renter for his animal. Is this fair to the owner of the park?

Senator Manendo:

I think there are plenty of places inside a manufactured home community to be able to exercise a dog. Each unit generally has its own yard. There are ordinances for leash laws and barking or vicious dogs. I do not see this as a requirement to create a pet area. We are not asking that. In some communities, there are rules and regulations which say pets are not allowed in certain areas and the owner needs to clean up after his pet. We agree with those rules. If people do not follow the rules, they can move to the next course of action.

Assemblyman Grady:

We had to agree to similar rules, plus an additional deposit and rent, to have our dog in our apartment here in Carson City. They would have to set up regulations in the manufactured home communities.

Senator Manendo:

That is in a rental area. These people own their homes. It should be allowed in homes that people own.

Vice Chair Conklin:

Are there additional questions from the Committee? I see none. Is there anyone in support of this bill?

Bob Varallo, representing Nevada Association of Manufactured Home Owners:

We are the only organization in Nevada that represents the residents who live in mobile home parks, land-leased. We as an organization support this bill. The president of our organization has submitted an email letter of support [not received]. This is a straightforward bill. It tells the landlord of a community that he may not prohibit homeowners from owning a pet. It allows them to have pet rules and regulations to dictate the size, breed, and number of pets. Most communities have agreements which become an integral part of the lease. If you do not comply with the rules, you may lose your pet privilege.

Vice Chair Conklin:

Are there any questions from the Committee? I see none.

Alisa Nave, representing Manufactured Home Community Owners Association:

The bill presented today is a negotiated compromise. We have been working with Senator Manendo and believe it incorporates a majority of the concerns of the Committee members. We do not believe it is perfect but it is a good start. Members of our association still have concerns but we support this legislation.

Vice Chair Conklin:

Are there any questions from the Committee?

Assemblywoman Bustamante Adams:

How many people belong to your association?

Alisa Nave:

I do not know how many members we have. We represent members throughout the state, including northern and southern Nevada.

Assemblywoman Bustamante Adams:

Your members are in support of the concept to mandate them to allow pets with the option to regulate it?

Alisa Nave:

That is correct. We have worked with Senator Manendo to make this legislation workable for us. We suggested limiting dangerous and vicious breeds and the number and size of the pets. We support that compromise.

Assemblyman Hickey:

Did you speak with the owner who is proposing an amendment to be grandfathered as a no-pet community? I would be inclined to vote for this bill except that we are not taking into account some existing situations.

Alisa Nave:

My partner, John Griffin, conversed with the proponents of the amendment and listened to their concerns. We are not supportive of the proposed amendment.

Vice Chair Conklin:

Is there anyone else wishing to testify in favor of S.B. 266 (R1)? I see none. Is there any one to testify in opposition?

Mary Fischer, Owner, Cottonwood Mobile Home Park, Carson City, Nevada:

We have owned our park for 50 years. We initially allowed dogs and had a nightmare. Almost all of our complaints involved dogs. We decided to become a no-dog park. We did not kick anyone out, but by attrition we became a no-dog park. We have been a no-dog park for over 45 years. Everyone who moved into our park knew that we did not want dogs. People have chosen our park because there are no dogs. There are over 400-plus manufactured home parks in the State of Nevada. There are over 32,000 spaces available, according to statistics compiled by the Manufactured Housing Division. There are no statistics about parks that do not allow dogs. We are a member of the Manufactured Home Community Owners Association. No one has ever asked if we allowed dogs. Fidel Salcedo also owns a no-dog park. We were not aware of this bill while it was in the Senate. I never spoke with lobbyist John Griffin about this bill or our concerns. Our rental agreement states that we do not accept dogs. We accept neutered indoor cats, and we still get complaints about the cats.

People move into our park of their own free will. There are many other parks in Carson City, and in the state, and they have many choices. We feel privileged when people choose our park, and there is no way that we want to force them to live next to a dog if that was not the arrangement we had when they moved into our park. The Committee members have been sent a packet of letters from many of the tenants in our park [not provided as an exhibit]. If you have a pet park and decide to become a no-pet park and grandfather in pets that are already there, the new tenants are not harmed because they realize the case.

I do not know how you can go from a no-dog park to a dog park and not harm the residents who already live there. This is why Fidel Salcedo and I have been working on two amendments ([Exhibit F](#)). These amendments could be incorporated into this bill so we would not be forced to have our tenants living next to dogs when that was not what they expected when they rented a space in our park.

Vice Chair Conklin:

I will allow you to go through the amendment but request that you do not repeat already stated testimony.

Fidel Salcedo, Mobile Home Park Owner, Reno, Nevada:

I own a 20-unit mobile home park in Reno. It does not have yards for animals. I elected to not allow pets because I had them before and they caused problems. When my tenants rented a space, they were specifically told there would be no pets. They all signed contracts and agreed to the terms. I agree with what Senator Manendo is proposing, because some abuse happens. Some park owners change their policies, and the tenants have to pay the costs to relocate. Many tenants do not want to be around barking dogs, and they may be forced to move. The provision in the contract is not unreasonable nor is it unconscionable.

I would like to address the amendment, which would exempt our parks with the addition of five words to section 2 of the bill, which are, "Or an existing no-pet park." I do not see grandfathering the no-pet parks as a problem. What about the rights of the tenants who want to live without barking animals around them? I think this is a fundamental right and it undermines the right to contract. I strongly urge the Committee accept the amendment so we do not have to go back to address it all. It allows Senator Manendo to protect his constituents and protects the rights of our tenants and the rights of the landlord to keep his contracts in force.

Vice Chair Conklin:

Are there any questions from the Committee?

Assemblyman Hardy:

Is it not a violation of the rights of the tenants who live in a non-pet park for their investment?

Fidel Salcedo:

Yes.

Assemblyman Hardy:

Is there a law that protects those people if we do not allow them to have the grandfather clause?

Fidel Salcedo:

Not to my knowledge. It would fall to the tenants whether they want pets or do not want pets. The cost will be put on the shoulders of the tenants.

Vice Chair Conklin:

Are there additional questions from the Committee?

Assemblywoman Carlton:

Do your parks have homeowners' associations?

Mary Fischer:

It is a business. We do not have a homeowners' association. They could organize a homeowners' association if they desired, but that has never been the case. We are a family-run park located within the municipality and county of Carson City.

Assemblywoman Carlton:

You comply with all other municipal and county codes. A homeowners' association would be different because there are covenants, conditions, and restrictions (CC&R). My concern is that tenants are not renting property; they are renting a space. People own their homes, and you are telling them what they can do in their homes.

Mary Fischer:

You would need to look at our rules and regulations, which the tenants sign when they come in, as being something like CC&Rs. I live in a home which has CC&Rs. Our rules and regulations provide the same protection to the tenants. When they move in, they know that there are certain things that they need to do, but there are also certain things that their neighbors need to do.

Assemblywoman Carlton:

I appreciate your situation, but those can be changed at any time. The tenant owns his home and he cannot move his home. In some areas the rules have changed: they could have pets, and now they are taking them away. We are trying to protect both sides.

Mary Fischer:

I can understand that, and that is the reason we provided two amendments. We were trying to understand the exact original intent of the bill. One of the

things we were concerned about was parks that would go from a pet friendly atmosphere to no pets. The first amendment is the grandfather amendment. That would remove "Or prohibit a tenant from keeping at least one dog or cat as a pet." That is the sentence that would mandate us to accept one dog or cat. The amendment would add "If a park allows pets and then changes their rules or regulations as set forth in NRS 118B.100 to a rule or regulation that prohibits pets, the park is prohibited from requiring a tenant to move or give up existing pets as of the commencement date of the action." That was the amendment we discussed with Senator Manendo. Senator Manendo said that would not address all of his issues. In the second amendment we proposed that the bill, as it passed the Senate, could remain the same, except in section 2, subsection 1 it would add "or an existing no-pet park." This was so the parks that are already no-pet parks could remain unchanged and you would not harm their tenants. We fully realize there would be no more non-pet parks in the State of Nevada.

Assemblywoman Carlton:

To me it seems that if you are going to put these types of restrictions on a homeowner in something they have purchased, you would need to have the backing of CC&Rs. To just have a written agreement along this line, which imposes restrictions upon someone's home without having an association, is overstepping the bounds of renting a space for their home.

Mary Fischer:

When we purchased our home, we had to agree to the CC&Rs.

Vice Chair Conklin:

Mrs. Fischer, will you please follow up with Assemblywoman Carlton following this meeting to see if you can figure out where the disconnect is. Are there any other questions for the witnesses? I see none. Is there anyone else wishing to testify in opposition to this bill at this time? I see none. Is there anyone to testify from a neutral position?

Jim deProsse, Administrator, Manufactured Housing Division, Department of Business and Industry:

The Division is neutral on this issue. I am not aware of any complaints relating to pets in the 18 months that I have been here. There are about 30,000 spaces available in the State of Nevada, and 25,000 are homeowners who rent spaces in parks.

Vice Chair Conklin:

Do you know how many of those restrict pets?

Jim deProsse:

I do not. The parks through *Nevada Revised Statutes* (NRS) Chapter 118B have the ability to change rules. They are required to have rules but they are able to modify and change the rules over time.

Assemblyman Ohrenschall:

Could the situation arise where someone lives in a manufactured home community with a dog or cat, and after they live there for a while, the rules change and it becomes a non-pet park?

Jim deProsse:

That could happen, but I am not aware of it happening historically.

Assemblyman Ohrenschall:

Clark County has some pretty severe zoning restrictions on manufactured homes. Our most populous counties have restrictions on where you can place manufactured homes. Is that correct?

Jim deProsse:

Yes.

Assemblyman Ohrenschall:

Many of the people who have decided to live in manufactured home communities have not had many choices of where to place their homes due to zoning restrictions. They may have had to live in a park because it was the only one they could afford. For many people it is take it or leave it. It may not be that you do not want to have a pet or live near pets.

Vice Chair Conklin:

Is there anyone who has a question for the witness? I see none.

Al Fischer, Owner, Cottonwood Mobile Home Park, Carson City, Nevada:

I am Mary Fischer's husband, and we built this park together. We worked very hard to be fair to our customers. I do not think it is fair to make me accept dogs.

Vice Chair Conklin:

Are there others in opposition?

Ken Tveit, Private Citizen, Carson City, Nevada:

I oppose the bill as written because we like our mobile home park the way it is and would like to keep it that way.

Vice Chair Conklin:

Are there any questions from the Committee? I see none.

Tom Hamilton, Private Citizen, Carson City, Nevada:

When I moved into Cottonwood Mobile Home Park, I read the agreement and it met my terms. I signed that agreement. The issue here appears to be whether people are willing to take responsibility for entering into a contract. If the park has certain rules, I have the option of not moving into that park. It violates my rights to have the Legislature change the law and say we are going to have pets in our park. Most pet owners are responsible, but the 10 percent who are not cause problems for us.

Vice Chair Conklin:

We will take the last witness in opposition to this bill.

John Rotheram, Private Citizen, Carson City, Nevada:

I am also a resident of Cottonwood Mobile Home Park, which is a park for adults 55 and older. Will there be an opportunity to have a committee for this bill or will it be decided today?

Vice Chair Conklin:

We will not take action on this bill today.

John Rotheram:

I have questions about sanitation, density of population, and the ramifications for the present tenants. Ninety dogs are going to generate four and a half tons of dog feces annually. There are health concerns and noise that we have not had for the 24 years I have lived in the park. I do not believe that it is within the purview of the state to make this decision on behalf of the residents of a dog-free park. The amendment should be allowed to change the wording so a non-dog park can remain so.

Vice Chair Conklin:

Are there any questions from the Committee? I see none. I will close the hearing on S.B. 266 (R1) and bring it back to Committee. I will open the hearing on Senate Bill 294 (R1).

Senate Bill 294 (1st Reprint): Establishes provisions governing medical assistants. (BDR 40-16)

Senator Barbara Cegavske, Clark County Senatorial District No. 8:

This bill resulted from two bills introduced by Senator Sheila Leslie and myself that were merged into the bill you see now. We had a sad note today, and

I wanted to mention that Dianna Hegeduis, an attorney and the Executive Director for the State Board of Osteopathic Medicine, who was going to testify today, died today. We are very appreciative for the effort she put into this bill.

This bill addresses the possession and administration of certain drugs by medical assistants. Senate Bill 294 (R1) adds medical assistants to Nevada's existing list of persons who may possess and administer dangerous drugs. The bill defines a medical assistant as a person who is employed by a physician to perform clinical tasks under the direction of the physician but who does not hold a license, certificate, or registration issued by a professional licensing or regulatory board to perform those clinical duties. The term medical assistant does not include a person who is employed by a physician to perform nonclinical tasks such as administrative, clerical, or executive functions. The bill requires that those medical assistants be under the supervision of a physician or a physician assistant. The bill specifically provides that a medical assistant shall not inject a patient with any chemotherapeutic agent that is classified as a dangerous drug unless the medical assistant is authorized to administer a dangerous drug and administers the drug under the supervision of a physician or a physician assistant.

Under this bill, a veterinary assistant may also possess and administer a dangerous drug at the direction of a supervising veterinarian. On page 7 in section 10, it says, "The Board may adopt regulations governing the supervision of a medical assistant, including, without limitation, regulations which prescribe limitations on the possession and administration of a dangerous drug by a medical assistant." This bill provides that failure to adequately supervise a medical assistant pursuant to regulations adopted by the regulatory board constitutes grounds for the applicable regulatory board to initiate disciplinary actions.

Vice Chair Conklin:

If you are part of the team who worked on this bill and are in support, please come forward at this time.

Neena Laxalt, representing Nevada State Board of Veterinary Medical Examiners:

I have distributed a proposed amendment ([Exhibit G](#)). Since 2003, the veterinary assistants have been able to dispense prescriptions when you go to the veterinarian. They have been given the authority through the Board's statutes. This puts it in line with *Nevada Revised Statutes* (NRS) 454.213. In section 1 of the bill on page 3, line 33 we added the words "or a veterinary assistant."

Vice Chair Conklin:

Are there any questions from the Committee? I see none.

Joan Hall, President, Nevada Rural Hospital Partners Foundation:

We would like express our appreciation to Senator Cegavske for the work session process to meet the needs of many interested parties in this bill. These needs were met by removing the phrase that pertained to physicians employing medical assistants and changing that to supervision. Medical assistants play a very important role in our rural health care delivery system, and we support this bill.

Vice Chair Conklin:

Are there any questions from the Committee? I see none.

Jeanette Belz, representing Nevada Academy of Ophthalmology:

We have been watching medical assistant issues for a long time and appreciate Senator Cegavske's efforts. Medical assistants are used in many different ways and that was very evident as this process evolved.

Vice Chair Conklin:

Are there any questions from the Committee? I see none.

Denise Selleck Davis, Executive Director, Nevada Osteopathic Medical Association:

I am also speaking on behalf of the State Board of Osteopathic Medicine due the death of Ms. Hegeduis. We are in support of this bill and urge you to pass it. It is vitally important that these medical assistants have supervision and are recognized under our boards. Due the nature of their practices being so varied, some leeway needs to be given to them as far as how they are regulated and supervised.

Vice Chair Conklin:

Are there any questions from the Committee? I see none.

Michael Hackett, representing Nevada State Medical Association:

We are fully supportive of this bill. This codifies what is current practice in terms of providing an official definition of what a medical assistant is. By putting medical assistants under the direct supervision of a physician, the physician assumes all responsibility for the medical assistant.

Vice Chair Conklin:

Are there any questions from the Committee? I see none.

Assemblywoman Carlton:

I see supervision in the bill, but I see no definition for supervision, and that has always been the toughest part of any collaboration between medical professionals. Medical assistants have no licensure, no certification. You can hire anybody off the street, put a coat on him, and call him a medical assistant. That is my concern. By allowing the boards to define supervision, it gives me a little pause. I do not know if we are going to use the definition we used in the past. How is supervision or direct supervision going to be addressed?

Michael Hackett:

I misspoke when I said "direct supervision." This puts them under the supervision of the physician who assumes the responsibility for them.

Assemblywoman Carlton:

Do we have a definition of "supervision?"

Denise Selleck Davis:

We did not define "supervision" because the practices are so different from one specialty to another. However, this does not give medical assistants the ability to provide medical treatment or diagnosis. These are protocols under the supervision of a physician. It would differ from the role of a physician assistant, and that is why we left it to the boards to promulgate regulations as they saw fit. There was no concern from the boards that there are medical assistants overstepping their bounds, but it was to be under the supervision of physicians, as trained by physicians.

Assemblywoman Carlton:

The concern that we have had over the years in these licensing issues is that there is a huge debate between collaboration and supervision with nurses and advanced practice nurses (APN) and registered nurses (RN). Does the word "supervision" mean the doctor is on the property, is he is a couple of miles away, or is he in the room? We have a nonlicensed, nonregulated professional here, which creates a new standard.

Denise Selleck Davis:

We do have regulations that define the role of a physician assistant (PA) that specifically state that the physician does not have to be on the premises and has to be available telephonically. This was not discussed, but we did discuss that supervision meant "on-site." It was left to the state boards to develop the regulatory components.

Vice Chair Conklin:

We will note for the record that the intent is that the supervising physician will be on-site. Is that correct?

Denise Selleck Davis:

Yes, that was the understanding.

Vice Chair Conklin:

Are there additional questions from the Committee? I see none. Is there anyone else wishing to get on the record in support of S.B. 294 (R1)? Is there anyone wishing to testify in opposition to this bill? [There was none.] Is there anyone to speak in a neutral position? [There was none.] I will close the hearing on S.B. 294 (R1).

[Assemblyman Atkinson reassumed the Chair.]

Chair Atkinson:

We will open the hearing on Senate Bill 267 (1st Reprint).

Senate Bill 267 (1st Reprint): Revises provisions governing personal information. (BDR 52-110)

Senator Valerie Wiener, Clark County Senatorial District No. 3:

[She presented a film clip from a CBSNews.com video on the video screen about the risks of leaving data on hard drives.] I am here to present Senate Bill 267 (R1). The video that you have just seen was the impetus for this bill. In my capacity as a Senator, I have been the Vice Chair of the state's Technological Crime Advisory Board since its creation. Before the Committee is the amended version of the bill that addressed the concerns of the interested parties. There was a concern about the leasing portion of this and what would be the liability for who lease technological devices. We addressed that concern and also included the definition of "multifunctional device."

At the hearing in the Senate, the bill as amended produced strong support and there was no opposition to the measure or the amendment. The bill requires that those who collect data on a machine, which is already required by law to protect that data, have to ensure that the machine's hard drive or whatever mechanism retains data is clean before it is released. I am thinking about a person who goes to a copy store and copies identifying information, such as a passport or birth certificate, and that material could go anywhere in the world and put that person's identity at risk. This bill would ensure that before copiers or multifunctional machines are released, the machine would be scrubbed of that data or encrypted.

Chair Atkinson:

Brett Kandt will cover the amendment from the Office of the Attorney General.

Brett Kandt, Special Deputy Attorney General, Office of the Attorney General:

The Attorney General chairs the Technological Crime Advisory Board and fully supports S.B. 267 (R1). Nevada first passed legislation dealing with the data breaches and the protection of personal information in 2005. The state has had a requirement to encrypt personal information since. This is the basis for the amendment ([Exhibit H](#)). The private sector drew our attention to the fact that the 2005 definition of encryption could be improved to better protect citizen information. Working with private industry, the Technological Crime Advisory Board generated revised statutory language that was passed in 2009. There is a widely shared interest in using common standards for data protection by encryption. It would serve that interest, which is shared by the private sector and government alike, by including references in the existing statute to standards promulgated by the payment card industry and the National Institute of Standards and Technology, which was put in legislation in 2009.

There is also a compelling interest in adapting to changes in technology perhaps even faster than those national standard bodies can adapt. Therefore, upon the request of representatives from the private sector, the Attorney General is proposing an amendment to S.B. 267 (R1) which will authorize the adoption of regulations for the approval of alternative technologies for safeguarding the personal data of Nevada citizens, provided, of course, that those technologies offer levels of protection that are comparable to national standards. We anticipate that this new process will be responsive to the developing needs of both the industry and government agencies to continue to safeguard the data our citizens have given to others with every expectation that it will be maintained securely. We have provided language for this proposed amendment, but we request that we have an opportunity to modify this proposal after further discussion with the stakeholders.

Assemblywoman Kirkpatrick:

Was there going to be a time certain on there so it could expedite the process?

Senator Wiener:

Some of the others at the table may be able to answer questions.

**Chris Ipsen, Chief Information Security Officer, Office of Information Security,
Department of Information Technology:**

We have spoken with industry, and I think it is imperative that we do have a timely response to this. I would be perfectly amenable to that type of language in this regulation. The reason we would be looking at alternate

methodologies would be because of the time requirements that standards like encryption take. Sometimes they can take many years. If we have a reasonable standard that we can use alternatively to encryption, we want to employ that. A couple of other caveats that we have looked at is that the technology be verified through some independent means, so that it does have the effect that we are intending it to have and that it be an objective standard, not a subjective standard based upon our office or any other office. We worked consistently with industry best practices to ensure the security of the data of the citizens of the state. It is of paramount concern of the Office of Information Security that we do keep that information as secure as possible, and that we are also responsive to industry to make sure that we are doing best practices going forward.

Assemblywoman Kirkpatrick:

I want to commend our Department because we have some of the top data storage security practices in our state. I think we have to be flexible to keep up with the times.

Chair Atkinson:

Are there additional questions or comments from the Committee? I see none.

James Earl, Executive Director, Technological Crime Advisory Board, Office of the Attorney General:

You have a written exhibit from me ([Exhibit I](#)). The state agencies go considerably beyond the requirements that are envisioned by S.B. 267 (R1). On the last three pages of the exhibit, you will see a draft state standard on multifunctional devices that is now finalized, but the final version has not been promulgated. Because our state departments have information technology (IT), the departments are capable of addressing many more risks associated with multifunctional devices than described in the video presented today. Those risks are laid out again as part of the attachment in pages 26 through 30 of the minutes of the Technological Crime Advisory Board that addressed this issue.

Chair Atkinson:

Are there any questions or comments from the Committee? I see none. Is there anyone else wishing to testify in favor of S.B. 267 (R1)?

Rebecca Gasca, Legislative and Police Director, American Civil Liberties Union of Nevada:

We are in full support of this bill and appreciate Senator Wiener for highlighting this issue.

Chair Atkinson:

Are there any questions from the Committee? I see none. Is there anyone else wishing to testify in favor of S.B. 267 (R1)? I see none. Is there any opposition to this bill? I see none. Is there anyone to testify from a neutral position on this bill?

Russell Rowe, representing TechAmerica:

TechAmerica is an association representing approximately 1,200 technological companies throughout the country. I have with me today Eric Evanstein, Director of Policy for TechAmerica in Washington, D.C., and David Lieber of Google. We have been one of the stakeholders working with the Office of the Attorney General. We have no issues with the expansion of the bill as proposed by the sponsor. It is good policy. We have been working with the Office of the Attorney General on language with respect to the encryption definitions, specifically in respect to the codification of one encryption standard that occurred last session as well as codification of the payment card industry (PCI) standard for credit card transactions. We met with the Attorney General and her staff this morning and have seen the amendment. We discussed the needs of the industries and what is more beneficial from an industry perspective for those standards. We do not want to see a denigration of the encryption standard and the protection of consumers in Nevada. There are alternatives to encryption that can be and are used under changing technologies. Codifying one specific standard is difficult, particularly for some of the larger companies. We have agreed to continue to work with the Office of the Attorney General on language based upon her amendment to have some regulatory process for alternative standards and hopefully come back to you with something upon which we all agree.

Chair Atkinson:

Is the amendment we received today what you agreed to?

Russell Rowe:

That language is the result of earlier discussions we had with the Office of the Attorney General ([Exhibit J](#)). We discussed that language this morning, and I believe we came to a meeting of the minds not to codify PCI as the one and only standard for credit card transactions, and to also have the ability to have alternative protocols other than encryption. The Attorney General proposed a regulatory process by which the state can ensure any alternative protects consumers adequately and at the levels of encryption. We do not agree with

the language proposed in the amendment from the Office of the Attorney General.

Chair Atkinson:

Are there any questions from the Committee? I see none. Is there anyone else to testify from a neutral position? I see none.

Senator Wiener:

We will continue to work on this bill.

Chair Atkinson:

The Attorney General indicated that she wanted to continue to work on this bill. We will need something done prior to May 18, 2011. We will close the hearing on S.B. 267 (R1). Is there any other business to come before the Committee? I see none.

The meeting is adjourned [at 3:34 p.m.].

RESPECTFULLY SUBMITTED:

Earlene Miller
Committee Secretary

APPROVED BY:

Assemblyman Kelvin Atkinson, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Commerce and Labor

Date: May 6, 2011

Time of Meeting: 12:50 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 99 (R1)	C	Phil Johncock	Testimony
S.B. 99 (R1)	D	Becky Helm	Letter of Opposition
S.B. 193	E	Senator Joe Hardy	Proposed Amendment
S.B. 266 (R1)	F	Mary Fischer	Proposed Amendments
S.B. 294 (R1)	G	Neena Laxalt	Proposed Amendment
S.B. 267 (R1)	H	Brett Kandt	Proposed Amendment
S.B. 267 (R1)	I	James Earl	Written Exhibit
S.B. 267 (R1)	J	Russell Rowe	Proposed Amendment