

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Sixth Session  
June 4, 2011**

The Committee on Government Affairs was called to order by Chair Marilyn K. Kirkpatrick at 7:46 p.m. on Saturday, June 4, 2011, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, 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/](http://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](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Marilyn K. Kirkpatrick, Chair  
Assemblywoman Irene Bustamante Adams, Vice Chair  
Assemblyman Elliot T. Anderson  
Assemblywoman Teresa Benitez-Thompson  
Assemblyman John Ellison  
Assemblywoman Lucy Flores  
Assemblyman Pete Livermore  
Assemblyman Harvey J. Munford  
Assemblywoman Dina Neal  
Assemblyman Lynn D. Stewart  
Assemblywoman Melissa Woodbury

**COMMITTEE MEMBERS ABSENT:**

Assemblyman Ed A. Goedhart (excused)  
Assemblywoman Peggy Pierce (excused)

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Susan Scholley, Committee Policy Analyst  
Jenny McMenomy, Committee Manager  
Cheryl Williams, Committee Secretary  
Olivia Lloyd, Committee Assistant

**OTHERS PRESENT:**

None

**Chair Kirkpatrick:**

I told you that we would have a work session tonight. My goal is to not be here on Monday night at 10 p.m. trying to get bills passed out. There are bills that are coming from the Senate that the Assembly Committee on Government Affairs will still have to hear. I am trying to keep as many of these moving as possible. I sent the Committee members the work session document at about 5 p.m. this evening. We will start on Senate Bill 75 (2nd Reprint).

**Senate Bill 75 (2nd Reprint):** Establishes a program to provide private equity funding to businesses engaged in certain industries in this State. (BDR 31-523)

**Susan Scholley, Committee Policy Analyst:**

Senate Bill 75 (2nd Reprint) establishes a program to provide private equity funding to businesses engaged in certain industries in this State. [Reads from work session document ([Exhibit C](#)).] After the hearing, additional amendments were proposed. They are on the attached mock-up. The mock-up is the first reprint version of the bill. The changes start on page 4. The offending "not" is on line 22 of page 4. It has been proposed by the State Treasurer for that to be deleted in the amendment. There is additional language on page 4, continuing onto page 5, and page 6. That is the summation of the changes in the mock-up. Also attached for your reference is a proposed regulation that was submitted along with the bill for consideration by the State Treasurer because there is a link between some of the proposed regulations and the changes that you see in the mock-up.

**Chair Kirkpatrick:**

The hearing for this bill was very confusing. Some of the testimony that we heard was contradictory as to what they can and cannot do. This was not meant for them to take the \$50 million and give it to businesses for investing. Upon further discussion with the Office of the State Treasurer, this was meant to invest in the way that the Public Employees' Retirement System (PERS) does

so that they can take the money and invest it into private businesses. This can, in turn, generate dollars for the state Distributive School Account (DSA) if there are additional dividends that come in. At the same time, they will be able to potentially help some of the businesses go through expansion. That is my understanding of this bill. Some other Committee members and I met with all interested parties on this bill. I am a firm believer that sometimes things just have to be in statute to set rules. Regulations can be changed at any given time. They do go before the Legislative Commission. Sometimes people get busy with their jobs outside of the Legislature and they do not have the ability to go back and thoroughly read the regulations.

One of the things that is incorporated in here is that board members that serve on this 501(c)(3) cannot also be engaged in the business that could be benefitting from it. That will deter some people from just wanting to be on the board. The bill also says that they must set the administrative fee within regulations. There are a lot more safeguards in this bill now. It is clearer than from what we heard in this Committee. I wanted to give everyone the opportunity to go through and look at some of the things that we did put into statute to ensure that that Permanent School Fund is protected as much as possible. It also says that the five members—on page 4, line 32 of the amendment—who come from the private sector shall have terms, have experience in specific fields, and they will be appointed by the Senate Majority Leader, the Speaker, the Senate Minority Leader, and the Assembly Minority Leader. The Legislature will have a little bit of oversight as to who sits on this board.

I tried to go back and ensure that the policy for the Permanent School Fund was protected because those are dollars that go into our DSA; however, PERS has been very successful in their investments, but I do not believe that they should be able, at any given time, to invest more than \$50 million. They should always work to keep that fund whole. I would respect anyone who wants to reserve their right to change their vote on the floor so that you would have more time to go through it. The Office of the State Treasurer is available to give the presentation again which is much different from what we have seen.

**Assemblyman Stewart:**

That would be me.

**Assemblyman Livermore:**

I believe I spoke to a deputy treasurer and our conversation was about angel investments. Although he still wants to invest in a venture capital market, I think angel investments present a higher risk than general venture capital market investment. This fund will eventually show benefits. It will depend

upon the board that is in place, the knowledge that they possess and bring to that, and the banking and financing investment background will hopefully protect the school fund. I am concerned about that \$50 million. I want to make sure that we do not wind up in an investment that we own the essence of a company that we cannot operate.

**Chair Kirkpatrick:**

I am happy to clear that up on the Floor. I will make it clear that we want the very best investments. I would suggest to the Committee that next session we ask them to come back before this Committee and report on the goings-on of the investments. I do not know the definition of an angel investment. If you would like to help me explain that on the Floor that would be great. I am happy to make the record very clear. I sit on the Legislative Commission. I try to make sure that the regulations meet the intent of what the Committee did vote for when it was legislation. I give you my word on that. Assemblymen Hansen, McArthur, and Stewart as well as Senator Settemeyer also sit on that Commission. We are some of the toughest.

**Assemblyman Ellison:**

I am going to vote no on this bill. I have some concerns on the investments. I will spend some time tomorrow morning looking it over. I would rather vote against changing the bill.

**Chair Kirkpatrick:**

I would like you to contact the deputy. I know it is a little late but one of the thoughts was to move the amendment forward so if we needed to clarify anything, we could.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO AMEND  
AND DO PASS SENATE BILL 75 (2ND REPRINT).

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN ELLISION VOTED NO.  
ASSEMBLYMEN GOEDHART AND PIERCE WERE ABSENT FOR THE  
VOTE.)

Assemblymen Livermore and Stewart reserved their right to change their vote on the Floor.

We will move on to Senate Bill 271 (1st Reprint).

**Senate Bill 271 (1st Reprint):** Provides for withdrawal of the State of Nevada from the Tahoe Regional Planning Compact under certain circumstances. (BDR 22-988)

**Susan Scholley, Committee Policy Analyst:**

Senate Bill 271 (R1) provides for withdrawal of the State of Nevada from the Tahoe Regional Planning Compact under certain circumstances. [Read from work session document ([Exhibit D](#)).] I would point out that Attachment B also now includes a reference to the amendment from the Office of the Secretary of State. Attachment B can be the basis for a motion, if that is the Committee's wish.

**Chair Kirkpatrick:**

This is a very contentious item. On the Floor, it may be a split vote. We have had very few of those within this Committee. I have tried to work hard to ensure that we can work together. I have worked with Mr. Davis for the last couple of days trying to come up with an amendment. I also tried to work with Assemblywoman Pierce. Section 1 of the bill is really the sore spot for people. However, I do believe that we are in a situation at this point that if we do not do anything it is just as uncomfortable as if we do something. Depending on how the boards move forward, and if the interim committee is set, this Committee would definitely take this issue up again.

Section 22.5 is information that needs to be discussed. The Committee needs to be given some clear direction on going forward. I think a regional plan is very important. I am happy to submit a letter to both states, asking them to work together to resolve this issue. I do not believe it is the Governor's intent to withdraw at this time but I do believe we need to have some discussions going forward as to how we plan. I have spent a lot of time trying to get people to work together. We did agree on some things. I know it is not perfect. I have committed myself in the interim to taking a very special interest in this issue. I want to ensure that we do make the progress for what has been set out before us.

**Assemblyman Livermore:**

I am the only assemblyman who serves in this Committee that is from northern Nevada. I am going to support this bill for several reasons. The Secretary of State and the Director of the State Department of Conservation and Natural Resources are in support of it. The Carson City Board of Supervisors is in support of this bill. We need to give all of these people additional tools to work with. I have heard a lot on this issue. People who are opposed and people who are for this bill have the same common goal in mind. That is the protection of the Lake Tahoe Basin. I would not support anything that would cause

an environmental difficulty in Lake Tahoe. It is a jewel. It is the centerpiece. We need to protect this jewel.

**Assemblyman Ellison:**

I think this bill has been worked on a lot. I think there is more work to be done. I really support this bill. Assemblywoman Neal brought up the issue that those in opposition have not brought anything to the table in terms of evidence. This bill will open it up so that everyone works together. That is why I strongly support this bill and whatever I can do to help you in any way, I really hope to get involved in it. I want to see Lake Tahoe protected also. I want to see people who live there do their own thing as well. That is so important. I strongly support this bill.

**Assemblywoman Benitez-Thompson:**

I just wanted to clarify for the record that there is more than one person representing the area on this Committee. It is in my constituents' backyard as well. In fact, it is only a 40-minute drive from my front doorstep if you take Interstate 80. I will be casting my vote in opposition to this bill. I do not believe that ultimatums ought to be built into statute. I do not believe that is good public policy.

**Chair Kirkpatrick:**

I do not want to speak for Assemblywoman Pierce but I know that she had planned on being here. This issue is very near and dear to her heart. She is very much in opposition of this bill. I have given Assemblywoman Pierce my word that during the interim I will work to ensure that California and Nevada work together. I do not want some of our Nevada people to refrain from doing anything in order to get out of the Compact. I do not believe it is in our best interest to withdraw from the Compact but I do believe that it is within our best interest to have a regional plan and move forward with some of the different things that go along with that.

ASSEMBLYMAN ELLISON MOVED TO AMEND AND DO PASS  
SENATE BILL 271 (1ST REPRINT).

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN BENITEZ-  
THOMPSON VOTED NO. ASSEMBLYMEN GOEDHART AND  
PIERCE WERE ABSENT FOR THE VOTE.)

Assemblyman Anderson reserved his right to change his vote on the Floor.

**Chair Kirkpatrick:**

We will move on to Senate Bill 439.

**Senate Bill 439:** Makes various changes relating to fire protection. (BDR 42-1203)

**Susan Scholley, Committee Policy Analyst:**

Senate Bill 439 makes various changes relating to fire protection. It was sponsored by the Senate Committee on Finance on behalf of the Division of Budget and Planning. [Read from work session document ([Exhibit E](#)).]

**Chair Kirkpatrick:**

Mr. James Wright, the State Fire Marshal, was in here just the other day. I asked why he had had all these chiefs and no Indians on his new board. You do have to have a layperson on the board. It could just be a fireman or the next step up. This way, if we do training and going forward, we have some perspective. We have learned from the state employees that those that are on the ground have the best ideas. I will use myself as an example. I was a Girl Scout leader for many years. They had this really long training. It was three days to learn how to make a sack lunch. It took me twelve times to get that sack lunch made because I could never make all three meetings every day in a row. One of the things that I had requested as a leader was to have them do some online training for the first two days and then the third day would be practical training. That has been much more successful.

You have to have a layperson on the board. Mr. Wright did not get with me on this, as usual. That is standard for his track record. I still believe that there needs to be some type of firefighter on the ground on that committee.

ASSEMBLYMAN STEWART MOVED TO AMEND AND DO PASS  
SENATE BILL 439.

ASSEMBLYWOMAN FLORES SECONDED THE MOTION.

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

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**Chair Kirkpatrick:**

That concludes our business for today.

Meeting is adjourned [at 8:10 p.m.].

RESPECTFULLY SUBMITTED:

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Cheryl Williams  
Committee Secretary

APPROVED BY:

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Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: \_\_\_\_\_



**EXHIBITS**

**Committee Name:** Committee on Government Affairs

**Date:** June 4, 2011

**Time of Meeting:** 7:46 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
S.B. 75 (R2)	C	Susan Scholley, Committee Policy Analyst	Work Session Document
S.B. 271 (R1)	D	Susan Scholley, Committee Policy Analyst	Work Session Document
S.B. 439	E	Susan Scholley, Committee Policy Analyst	Work Session Document