

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Sixth Session
June 1, 2011**

The Committee on Ways and Means was called to order by Chairwoman Debbie Smith at 11:22 a.m. on Wednesday, June 1, 2011, in Room 3137 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/. 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:

Assemblywoman Debbie Smith, Chairwoman
Assemblyman Marcus Conklin, Vice Chair
Assemblyman Paul Aizley
Assemblyman Kelvin Atkinson
Assemblyman David P. Bobzien
Assemblywoman Maggie Carlton
Assemblyman Pete Goicoechea
Assemblyman Tom Grady
Assemblyman John Hambrick
Assemblyman Crescent Hardy
Assemblyman Pat Hickey
Assemblyman Joseph M. Hogan
Assemblyman Randy Kirner
Assemblywoman April Mastroluca
Assemblyman John Ocegüera

GUEST LEGISLATORS PRESENT:

Senator John J. Lee, Clark County Senatorial District No. 1

STAFF MEMBERS PRESENT:

Rick Combs, Assembly Fiscal Analyst

Minutes ID: 1405

CM1405

Mike Chapman, Principal Deputy Fiscal Analyst
Janice Wright, Committee Secretary
Cynthia Wyett, Committee Assistant

Chairwoman Smith adjourned the meeting of Tuesday, May 31, 2011. She said the Committee would hear several bills and she opened the hearing on Senate Bill 314 (2nd Reprint).

Senate Bill 314 (2nd Reprint): Revises various provisions relating to real property. (BDR 54-631)

Senator John J. Lee, Clark County Senatorial District No. 1, said Senate Bill 314 (2nd Reprint) established a process for the registration and subsequent renewal of asset management companies by the Real Estate Division of the Department of Business and Industry (B&I). The bill included procedures, regulations, and operations requirements for asset management companies. Asset management companies provided management services for banks, mortgage companies, mortgage bankers, credit unions, and thrift companies.

Senator Lee said he spent his whole life thinking his credit history was more valuable than anything else he had. The decline of the economy hurt many good persons. Some citizens had to make a choice to pay their rent or mortgage, or buy food to survive. For those persons who decided they had to quit making their mortgage payments, they often used a short sale to escape their mortgage obligations.

Senator Lee said asset management companies were companies that often were not licensed, not recorded, and no one knew who they were. Typically, a bank pulled a foreclosure ticket on a home and gave the ticket to an asset management company that changed the locks on the house. Often the asset management company would remove everything from the house. Sometimes mistakes were made. Employees would take things they should not take and that became "pirate booty." There was no way to find these persons. Calls to the bank were unsuccessful. The asset management companies were private contractors, and banks did not know where to contact them.

Senator Lee said this bill would allow the Real Estate Division to license asset management companies. There should be a way to find these companies if errors were made. Often the banks hired a company that would inspect the house and make repairs to ensure everything functioned properly. But the repairs were never inspected, and the next buyer could find problems or illegal repairs.

Senator Lee said asset management companies should be registered by the Real Estate Division because the state needed this industry. The companies provided a valuable service. Senator Lee wanted to ensure the industry was properly regulated to stop illegal procedures that occurred.

Gail J. Anderson, Administrator, Real Estate Division, B&I, said the fiscal note on S.B. 314 (R2) indicated revenue would be generated. The Division made some projections but had no idea how many asset management companies existed. Ms. Anderson said property managers licensed by the Division may conduct foreclosure activities under their property management license with a management agreement through their real estate brokerage. The bill would not require them to register again. The purpose of the bill was to capture a whole new jurisdictional field of those who were not in any way licensed, registered, or permitted. The Division projected registration of 25 asset management companies in fiscal year (FY) 2011-12 and 25 companies in FY 2012-13. The revenue projection was \$62,500 in FY 2012 and \$75,000 in FY 2013 for a total of \$137,500 in the 2011-2013 biennium. That revenue would be deposited in the General Fund.

Ms. Anderson said she did not request any additional staff positions for this added jurisdiction to her program. She had a licensing section and a compliance section that could do the work. She said she may return to the 77th Session (2013) to ask for additional help if the added workload was significant. The Real Estate Division experienced significant budget reductions during the 76th Session (2011).

Ms. Anderson proposed an amendment to section 29 of the bill ([Exhibit C](#)) to add a provision for the expiration and renewal of the permit. This provision would be consistent with other licensing/registration/permit programs of the Real Estate Division and would result in the periodic update of information from the permit holder. This chapter of real estate law was patterned after another chapter for the registration of appraisal management companies in *Nevada Revised Statutes* (NRS) 645C.650

Chairwoman Smith said the amendment was posted on the Nevada Electronic Legislative Information System (NELIS).

Assemblyman Conklin said he had no problems with the bill and thought it was a good idea. He wanted to understand the dynamics of this industry. This type of licensure would correct some of the problems that occurred in the real estate market. He thought the problem was created, in part, from the decrease in the number of realtors and the increase in the number of asset managers. When the economy improved the number of asset managers may decrease as the

number of realtors increased. He wondered how many formerly licensed realtors became asset managers because the work was similar.

Ms. Anderson said the Division knew that real estate licensees performed some foreclosure services. Property managers with a property management permit and a property management agreement could perform those foreclosure tasks. She found that some persons were not doing the work through their brokerage. Some individuals may create a separate asset management company for the narrow purpose of bank foreclosures or defaults. Some property managers took over the properties to maintain, sell, or remediate to sell. That was a narrow purpose with a narrowly defined client. She did not know how many realtors became asset managers. She concurred that more asset management companies may develop in the future, and perhaps more real estate licensees may establish separate asset management companies. She believed the Division needed the jurisdiction to require registration to comply with Nevada law.

Assemblyman Conklin asked whether there were other circumstances where there was a gap in the law or regulation for a foreclosure or short-sale home that was not owned by a bank but by some person refurbishing a home for sale.

Ms. Anderson said the owner of the property may make repairs and improvements without having a license to do so. The bill did not change that. This bill was narrowly defined for asset management companies.

Rocky Finseth, President, Carrara Nevada, on behalf of the Nevada Association of Realtors, thanked Senator Lee for bringing this bill forward and said his organization supported this bill and the proposed amendment.

Chairwoman Smith asked whether anyone else wanted to testify on the bill. Hearing no comments, Chairwoman Smith closed the hearing on S.B. 314 (R2) and opened the hearing on Senate Bill 429 (1st Reprint).

Senate Bill 429 (1st Reprint): Revises the authority of the Department of Health and Human Services to contract for transportation services for the recipients of services under the Children's Health Insurance Program. (BDR 38-1197)

Charles Duarte, Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services, said Senate Bill 429 (1st Reprint) revised provisions of *Nevada Revised Statutes* (NRS) 422.2705. That statute required the Division to contract with certain motor carriers to provide nonmedical transportation to enrollees in the Children's Health Insurance

Program. The language stated that the Department of Health and Human Services may, to the extent authorized under federal law, contract with a common motor carrier or other carriers to provide nonmedical transportation services to the enrollees of the Children's Health Insurance Program. This was seen as a budget savings provision to eliminate the mandatory coverage of nonemergency medical transportation for the Children's Health Insurance Program. Transportation service use for children in the program was very limited. Mr. Duarte thought it was not necessary to continue paying for transportation. Medicaid paid for nonmedical transportation for children and adults in the Medicaid program and that was the bulk of the usage. Medicaid coverage would continue because it was a requirement of federal law. The Division reflected savings of \$643,376 in the 2011-2013 biennium in the budgets that were closed. The bill was amended to include a sunset that allowed the provisions of this bill to expire on June 30, 2013.

Chairwoman Smith wondered why the sunset was added to the bill.

Mr. Duarte said some members in the Senate believed there may be an effect on the ability to receive medical services for children in the Children's Health Insurance Program. The members wanted the Division to monitor the activity to see whether there were any problems that occurred as a result of eliminating transportation service.

In response to a question from Assemblyman Kirner, Mr. Duarte said the savings were included in The Executive Budget.

In response to a question from Assemblywoman Mastroluca about the approximate number of transports per month, Mr. Duarte said he did not have those numbers. He said the per-person use of transportation in the Children's Health Insurance Program was about one-tenth of the use in the Medicaid program.

In response to a question from Assemblywoman Mastroluca, Mr. Duarte said the Division budgeted for more transportation services than it used. He said the Division paid a nonemergency transportation brokerage company on a per-user, per-month basis. That was calculated based on usage for Medicaid and the Children's Health Insurance Program (CHIP). The Division determined it overpaid for transportation services when compared to the services used by CHIP. The Division would adjust those payments to the brokerage company assuming that this bill was approved and eliminated the coverage for CHIP. That action would adjust the budget expense downward slightly for nonemergency transportation.

Chairwoman Smith wanted clarification about someone living in a group home in a supportive-living arrangement and asked whether transportation funding was included in that contract.

Mr. Duarte said the supportive-living arrangement contracts still required the facility to provide transportation, and the provider was paid for the service. Medicaid would not pay separately for transportation already included in that contract.

Chairwoman Smith asked someone to look into her concern about double payments. She wanted to make sure the payments for transportation services were not being paid twice by Medicaid.

Mr. Duarte said he did not believe there was a duplication of payment, but he would research that concern.

Chairwoman Smith asked whether anyone else wanted to testify on the bill. Hearing no comments, Chairwoman Smith closed the hearing on S.B. 429 (R1) and opened the hearing on Senate Bill 442 (1st Reprint).

Senate Bill 442 (1st Reprint): Establishes the Fund for State Park Interpretative and Educational Programs and Operation of Concessions. (BDR 35-1210)

David K. Morrow, Administrator, Division of State Parks, State Department of Conversation and Natural Resources, testified in support of Senate Bill 442 (1st Reprint). The bill was directly connected to the budget that was submitted and approved in May. The bill created a fund that allowed the Division to establish sales outlets in various state parks and use \$47,000 earned in each year of the 2011-2013 biennium to offset General Fund appropriations. Any remaining money would be used to help fund interpretive and educational programs in the state parks. The program was entirely self-supported including the start-up costs. The fund would operate based on the future generation of revenue in the fund.

Mr. Morrow said the Division experienced severe budget cuts, and this was an attempt to find funding sources other than the General Fund. He was proud of the fact that the Division was able to keep a majority of the state parks open despite about a 60 percent reduction in fees.

In response to a question from Chairwoman Smith about whether these were new concessions, Mr. Morrow said these were sales outlets similar to the gift shop operating in the Legislative Building.

Chairwoman Smith asked whether anyone else wanted to testify on the bill. Hearing no comments, Chairwoman Smith closed the hearing on S.B. 442 (R1) and opened the hearing on Senate Bill 452.

Senate Bill 452: Eliminates the Medicaid waiver carried out pursuant to the Health Insurance Flexibility and Accountability demonstration initiative. (BDR 38-1198)

Charles Duarte, Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services, said Senate Bill 452 modified *Nevada Revised Statutes* (NRS) 422.240, NRS 428.275, and NRS 428.305 and repealed NRS 422.2726, NRS 422.2727, NRS 422.2728, and NRS 422.2729 to end the Health Insurance Flexibility and Accountability (HIFA) waiver. The HIFA waiver was approved by the 73rd Session (2005) and allowed the Division to expand Medicaid coverage to pregnant women between 133 percent of the federal poverty level (FPL) and 185 percent of FPL. The waiver also allowed the Division to implement an insurance premium program to subsidize adults with children who were below 200 percent of FPL. To date, the HIFA waiver served 160 individuals, of which 150 were pregnant women and 10 were in the employer-sponsored insurance program.

Mr. Duarte said the Division would not extend the waiver beyond November 30, 2011. That was the date when the current research and demonstration waiver approved by the Secretary of the United States Department of Health and Human Services expired. The Division planned to end the waiver but continue coverage for pregnant women until they delivered full-term and for two months post-partum. Funds were included in the budget to allow the Division to provide services for those currently enrolled in the HIFA waiver. The Division's plan was approved by the Centers for Medicare and Medicaid Services (CMS) to cap enrollment as of today and pay enrollees' claims but not enroll any additional women or provide any additional insurance premium subsidies. A General Fund savings of \$364,497 for the 2011-2013 biennium was included in The Executive Budget.

Chairwoman Smith said the savings were included in the budgets that were closed. She wondered whether this was a budget reduction measure and not a policy measure.

Mr. Duarte said when the Division developed its proposed budget it appeared as if there were provisions included in the Health Care Reform Act that required the state to end the HIFA waiver. The Division received subsequent guidance from CMS that it would allow the Division to extend the HIFA waiver but because of

the budget reductions, the Division chose not to extend the waiver. The decision was to meet the budget reduction targets.

Chairwoman Smith asked whether anyone else wanted to testify on the bill. Hearing no comments, Chairwoman Smith closed the hearing on Senate Bill 452 and opened the hearing on Senate Bill 477.

Senate Bill 477: Authorizes the Administrator of the Division of Health Care Financing and Policy of the Department of Health and Human Services to administer oaths, take testimony and issue subpoenas for the purposes of recovering Medicaid benefits paid on behalf of certain recipients. (BDR 38-1195)

Charles Duarte, Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services, said Senate Bill 477 modified *Nevada Revised Statutes* (NRS) 422.2366, subsection 1, and authorized the Administrator of the Division to administer oaths, take testimony, issue subpoenas requiring the attendance of witnesses at a designated time and place, issue subpoenas for the production of records for the purpose of determining eligibility, and verify payments to medical providers. This bill added paragraph (c) to subsection 1 of NRS 422.2366 to allow the Administrator to subpoena information for the purpose of recovery of Medicaid benefits paid on behalf of a recipient of medical care. The Division operated a Medicaid estate recovery program that recouped funds from individuals who were deceased and did not have a spouse or child. Any remaining assets in their estates were recovered by the Division to repay the state and the federal government for the cost of medical care provided to the individual. This bill would allow the Division to obtain particular bank records and nursing facility records that were necessary to recover those funds. The Division estimated a General Fund savings in the budget of \$19,186 for the 2011-2013 biennium.

In response to a question from Chairwoman Smith about whether this bill was about fraud or recovering benefits for someone who was deceased, Mr. Duarte said the bill was for estate recovery. The bill allowed the Division to do the work necessary to recover assets. The federal government required the Division to conduct a Medicaid estate recovery program.

Assemblyman Hambrick asked about the type of subpoena that would be issued and whether it would be a *duces tecum* or a demand subpoena.

Mr. Duarte said he was not an attorney but believed the *duces tecum* subpoena was generally used for production of records. The primary purpose for Medicaid was the production of records, but the current law allowed the issuance of

subpoenas for other purposes. The change Mr. Duarte was requesting was to allow the issuance of subpoenas for estate recovery primarily for the production of records.

Assemblyman Hambrick said his interpretation of a demand subpoena was a person walked in the door and said here is the subpoena and I am taking the records now.

Mr. Duarte said he already had that authority for Medicaid in the statutes.

Chairwoman Smith asked whether anyone else wanted to testify on the bill. Hearing no comments, Chairwoman Smith closed the hearing on Senate Bill 477 and opened the hearing on Senate Bill 475.

**Senate Bill 475: Makes various changes relating to transportation.
(BDR 35-1193)**

Tracy Larkin-Thomason, P.E., P.T.O.E., C.P.M., Assistant Director, Planning, Department of Transportation, testified Senate Bill 475 provided for the consolidation of the Department of Transportation's (NDOT) and the Department of Public Safety's bicycle and pedestrian programs. There would be a transfer of one staff position along with the transfer of the program and its duties. The proposed transfer was initiated by the Director of the Department of Public Safety in conversation with the Director of NDOT. The transferred position would work with NDOT's bicycle and pedestrian programs on common goals. A majority of these were education and training goals for the interaction of bicycles, pedestrians, and motorized vehicles. The program would enhance the Safe Routes to School program that focused on education and training for kindergarten through 8th-grade students. The focus would broaden after the consolidation to encompass all age groups.

Chairwoman Smith said this consolidation was approved when the budgets were closed.

Chairwoman Smith asked whether anyone else wanted to testify on the bill. Hearing no comments, Chairwoman Smith closed the hearing on Senate Bill 475 and opened the hearing on Senate Bill 498.

Senate Bill 498: Expands the authorized use of proceeds from the additional fee for each ticket sold for admission to a live professional contest of unarmed combat. (BDR 41-1285)

Greg Ferraro, representing the Nevada Athletic Commission, said Senate Bill 498 expanded the authorized use of proceeds of the additional fee on each ticket sold for admission to a live professional contest of unarmed combat. The Commission wanted the legal authority to transfer that money to the Amateur Athletic line item and use the money for the purposes of random drug testing. The random drug testing started several years ago after a comprehensive study made a recommendation to begin random drug testing. The state should be vigilant in testing for performance enhancing and steroid drugs in unarmed combat. This bill would allow that drug testing to be funded.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said this was one of the budget closing differences with the Senate and was resolved consistent with the manner in which the Senate closed the budget. Approval of this bill was necessary to concur with the Senate on this item.

Chairwoman Smith asked whether anyone else wanted to testify on the bill. Hearing no comments, Chairwoman Smith closed the hearing on Senate Bill 498 and opened the hearing on Senate Bill 499.

Senate Bill 499: Repeals the provisions creating the Fund for the National Judicial College and the Fund for the National College of Juvenile and Family Law. (BDR 1-1284)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said he would present Senate Bill 499 because no one from the agency was present. Some years ago two funds were created, one for the National Judicial College and one for the National College of Juvenile and Family Law. The funds were created as special revenue funds and required a payment to the Dean to pay expenses related to the operation of each school. This bill repealed those provisions and required the State Controller to transfer to the General Fund the balance of any money remaining in those two funds on the effective date of the bill. He believed there was no money in the funds and there had not been any money in the funds for some time. This was just a clean-up measure. Another difference in the closing of the budget between the Senate and the Assembly related to these two colleges, which received some funding from the General Fund.

Chairwoman Smith asked whether anyone else wanted to testify on the bill. Hearing no comments, Chairwoman Smith closed the hearing on Senate Bill 499. That was the final bill to be heard by the Committee and Chairwoman Smith said the work session would begin.

Assembly Bill 416 (1st Reprint): Revises provisions governing certain programs for renewable energy. (BDR 58-849)

Assemblyman Bobzien said the amendment on Assembly Bill 416 (1st Reprint) was the result of work with Assemblywoman Kirkpatrick and Assemblyman Atkinson to develop some responsible balancing of all the interests in renewable energy and incentive programs. He used the concept of the performance-based incentives as a way to ensure that the money spent on these programs incentivized as many kilowatts as possible.

Assemblyman Bobzien explained the proposed amendment number 7209 (Exhibit D) and noted section 2.1 on page 3 addressed the parameters of how this program would operate. The budget was balanced with a goal of 150 megawatts of capacity for all systems in the state for the period beginning on July 1, 2009, through December 31, 2021. He said it was important to understand the goals of this program. The bill provided a budget figure so the Public Utilities Commission of Nevada (PUC) would know how best to configure this program to maximize the amount of megawatts. He noted that the 150 megawatts amount was designed to align with the capacity cap that increased from 1 percent to 2 percent.

Assemblyman Bobzien said this budget was based on input from NV Energy, PUC, and the developers. Once consensus was reached, it was appropriate to move forward with the performance-based incentive (PBI) concept. There was discussion about how much to put in statute to ensure there were appropriate parameters and direction given to PUC versus how much flexibility should be left to PUC. Whenever direction was provided in the bill, it was the result of a vigorous conversation about how to best strike a balance.

Assemblyman Bobzien said section 4, subsection 1, paragraph (a) (Exhibit D) was a critical cutoff point; systems with a nameplate capacity of 30 kilowatts or less would remain in this program and receive the upfront rebate. Systems larger than 30 kilowatts and up to 500 kilowatts or less would move to PBI. A project would receive a rebate over the course of five years dependent on its performance. It would be difficult for smaller systems to be tracked for a PBI. It was more economical for those installers to receive the upfront rebate to help defray the costs. That was the reason for picking a cutoff point. There was a similar cutoff in the original version of this bill, but it was restricted to residential projects. Moving to the nameplate cutoff had opened up renewable energy incentive projects. Regardless of class, it was the size not the location of the system that triggered whether the project used PBI or not.

Assemblyman Bobzien said section 4, subsection 1, paragraph (c), subparagraph (3) provided direction that payments would be made quarterly for the program established by PUC for the PBI. Latitude was given to PUC to establish the categories explained on page 6.

Assemblyman Bobzien noted a typo on page 8, line 37 and said the words "water power" should be replaced by "wind." He said that on page 17 [section 23.5] the Committee should note the parameters provided for the incentive program for PUC. One problem that occurred with the incentive program was a customer who applied for the incentive sometimes failed to build the project. That used up the incentive money. Stranded capacity rules were included so persons with an approved application must build the project or return the incentive.

Assemblywoman Carlton asked whether this bill put the persons that she represented in her district who wanted to install solar systems on their homes at a disadvantage with the larger companies and more sophisticated entities that might qualify for the incentives. She wondered whether there would be greater competition for this money. It was difficult to obtain the incentives because the project contracts got used up. She applied for an incentive herself and was denied. The money was gone. She wondered whether the expansion in the bill would make it more difficult for a homeowner to receive an incentive.

Assemblyman Bobzien said it was important to note that the bill did not make major changes in what incentives were available in the program. He believed the bill provided the necessary direction and imperative for PUC to manage the incentive program in such a way that persons had full and equal access to the incentives.

Judy Stokey, Executive, Government and External Affairs, Government and Community Strategy, NV Energy, presented [Exhibit E](#), information concerning proposed amendment 7209, and thanked all the parties for developing a bill that met the budget requirement that had been in place for some time and provided customer protections.

Rose McKinney-James, Managing Principal, Energy Works, LLC, representing The Solar Alliance, Bombard Electric, and Amonix, Inc. said she appreciated all of those who worked diligently on this bill. She believed it represented an important balance on renewable energy incentives. She believed that no one was 100 percent happy with the bill, which meant the bill was a true compromise and consensus. She believed the most important thing was to continue a program that added value to the state in advancing a renewable energy policy. She pointed out that the move to the performance-based

incentive was a significant shift. The bill provided some additional protections through a mechanism that would allow a metric for the actual performance of the systems.

Ms. McKinney-James said the energy industry had committed it could perform, reduce prices, take full advantage of a natural resource that this state had, and maintain the important balance with ratepayers' interests. She believed this bill accomplished that through the amendment. She said the bill provided PUC the opportunity to develop the details of the program

Stacey Crowley, Director, Office of Energy, testified this bill had been an effort of all parties including the industry, utilities, the Governor, and legislators who worked hard to put this together, and it was a good solution. She believed this bill went a long way to help reduce the amount of incentives per project and allow more persons to get involved. She saw the bill as a benefit to the smaller projects and it would stretch the incentive dollars further to allow more projects to participate.

Assemblywoman Carlton asked whether this would make it easier for homeowners to install solar on their homes. She wondered whether they had a better opportunity to receive incentive moneys before the larger companies did.

Ms. Crowley said that question would be left to PUC to see how it developed regulations, scheduled incentives, and released the incentives. The idea of the bill was to allow fairness in that process.

Warren B. Hardy II, representing Hamilton Solar, said he appreciated the effort that had gone into this bill. His company supported the concept of giving broad parameters to PUC to develop the program. He thought this was a move in the right direction.

Mr. Hardy had several questions about the legislative intent. He had concerns about the "start-and-stop" nature of this incentive program. It was difficult to build a business model around an incentive program that started and stopped. He believed everybody's intent during the discussions was to resolve the start-and-stop nature. He was concerned that section 2.5 [of the proposed amendment 7209] and section 3.3 could be interpreted to anticipate an annual "rolling out" of the incentives. He wanted to ensure that what was contemplated was the ability of PUC to address the start-and-stop nature and roll out the incentives in a more fluid manner that enabled companies to build business models.

Mr. Hardy said he was concerned about the anticipated start date. The bill indicated that PUC should adopt regulations immediately. The bill also stated that the adoption of the regulations began upon passage and approval and the rest of the program started in 2013. He wanted to ensure that whenever PUC adopted regulations, it could begin the program and not wait until 2013 to start.

Mr. Hardy said there was confusion around the 1.5 megawatt cap. He thought the cap could be a reduction from the current program if it was interpreted to include nonincentive or nonprogram installations. He thought the cap should be applied to program installations.

David Goldwater, representing Sierra Nevada Corporation (SNC), said SNC had the master services agreement to provide alternative and solar energy to state-owned buildings. He echoed the comments of the other parties and thanked the parties including Assemblyman Atkinson, Assemblyman Bobzien, and Assemblywoman Kirkpatrick. He said the reduced size of the projects contemplated in the bill was good in some cases but was challenging for SNC. Some SNC projects under the master services agreement were in excess of 500 kilowatts. The size was not much of a problem if sufficient portfolio energy credits existed to make the project financially viable. Portfolio energy credits and incentives were the two things that made these projects financially viable. By limiting the capacity to 500 kilowatts, SNC was unsure what would happen to the remaining 500 kilowatts under the current net metering law.

Chad Dickason, Principal, Hamilton Solar, expressed concerns about the nameplate capacity in the 30 kilowatt and the 500 kilowatt ranges. The analysis of system size used traditionally in Nevada for solar systems had been based upon the California Energy Commission analysis. There was about a 15 percent difference between nameplate capacity and the system size analyzed using the California Energy Commission standards. It was relevant because a 500 kilowatt system was a good price point based on the design and development of systems. The largest inverters typically installed were 500 kilowatts. Hamilton Solar produced cost-effective systems using those standards. If the nameplate capacity was used as the top metric, then Hamilton Solar would be limited to about 425 kilowatt systems, which would limit the cost-effectiveness of the systems.

Assemblyman Goicoechea wondered about increasing the net metering cap from 1 percent to 5 percent but was informed the cap was set at 2 percent.

Chairwoman Smith said she believed that Assemblyman Bobzien was informed on all matters that needed clarification in an amendment.

Assemblyman Atkinson said the 500 kilowatt and 500 megawatt sizes had been mentioned, but the working group decided it did not want the large projects applying for and using up all the incentives. There was discussion about providing the choice to the ratepayer. Assemblywoman Carlton had expressed concerns about average homeowners being unable to receive the incentives. The working group compromised on the size as a way to stretch the incentive dollars. Much work was done, and this compromise should satisfy many persons.

Assemblyman Aizley asked about the cost for a homeowner to install solar and what incentive would be provided. Mr. Dickason agreed to work with Assemblyman Aizley and provide him the details.

Chairwoman Smith asked that all parties continue working on the details of this bill. Chairwoman Smith asked whether anyone else wanted to testify on the bill. Hearing no comments, Chairwoman Smith closed the hearing on Senate Bill 416 (1st Reprint).

Senate Bill 314 (2nd Reprint): Revises various provisions relating to real property. (BDR 54-631)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Senate Bill 314 (2nd Reprint) was heard at the beginning of today's hearing. This bill was presented by Senator Lee. An amendment presented on behalf of the Real Estate Division added an expiration date and a renewal provision for the permit. He said the Fiscal Analysis Division did not have any concerns about the fiscal effect of the bill. He suggested the amendment of the Real Estate Division be added if the Committee took action on the bill.

ASSEMBLYMAN ATKINSON MOVED TO AMEND AND DO PASS
SENATE BILL 314 (2nd REPRINT).

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Senate Bill 429 (1st Reprint): Revises the authority of the Department of Health and Human Services to contract for transportation services for the recipients of services under the Children's Health Insurance Program. (BDR 38-1197)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Senate Bill 429 (1st Reprint) was heard by the Committee earlier today. The bill was presented by Charles Duarte, Administrator, Division of Health Care Financing and Policy, who explained that the bill implemented the budget. Senate Bill 429 (1st Reprint) revised provisions of *Nevada Revised Statutes* (NRS) 422.2705 for transportation for enrollees of the Children's Health Insurance Program. This bill made contracting by the Division for such transportation services discretionary rather than mandatory.

ASSEMBLYMAN KIRNER MOVED TO DO PASS
SENATE BILL 429 (1st REPRINT).

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Senate Bill 442 (1st Reprint): Establishes the Fund for State Park Interpretative and Educational Programs and Operation of Concessions. (BDR 35-1210)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Senate Bill 442 (1st Reprint) was heard today and established the Fund for State Park Interpretative and Educational Programs and Operation of Concessions. This bill was necessary to implement the budget.

ASSEMBLYMAN KIRNER MOVED TO DO PASS
SENATE BILL 442 (1st REPRINT).

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Senate Bill 452: Eliminates the Medicaid waiver carried out pursuant to the Health Insurance Flexibility and Accountability demonstration initiative. (BDR 38-1198)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Senate Bill 452 was heard today, and this bill eliminated the Health Insurance Flexibility and Accountability (HIFA) waiver effective November 30, 2011. This was a bill that was necessary to implement the

budget as approved by the Joint Committee of the Assembly Committee on Ways and Means and the Senate Committee on Finance.

ASSEMBLYMAN HOGAN MOVED TO DO PASS SENATE BILL 452.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Senate Bill 477: Authorizes the Administrator of the Division of Health Care Financing and Policy of the Department of Health and Human Services to administer oaths, take testimony and issue subpoenas for the purposes of recovering Medicaid benefits paid on behalf of certain recipients. (BDR 38-1195)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Senate Bill 477 was heard today and authorized the Administrator of the Division of Health Care Financing and Policy to administer oaths, take testimony, and issue subpoenas for the purposes of estate recovery efforts for Medicaid. This bill was submitted by the Governor to implement the budget. The General Fund savings was built into the budget as approved by the Joint Committee of the Assembly Committee on Ways and Means and the Senate Committee on Finance.

ASSEMBLYMAN KIRNER MOVED TO DO PASS SENATE BILL 477.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Senate Bill 475: Makes various changes relating to transportation. (BDR 35-1193)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Senate Bill 475 was heard today and consolidated the bicycle and pedestrian programs administered by the Department of Transportation and the Department of Public Safety. These programs were combined in the budget as recommended by the Governor and as approved by

the Joint Committee of the Assembly Committee on Ways and Means and the Senate Committee on Finance.

ASSEMBLYMAN HAMBRICK MOVED TO DO PASS
SENATE BILL 475.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Senate Bill 498: Expands the authorized use of proceeds from the additional fee for each ticket sold for admission to a live professional contest of unarmed combat. (BDR 41-1285)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Senate Bill 498 was heard today, and expanded the authorized use of proceeds from each ticket sold for admission to a professional contest of unarmed combat. The expansion included the use of proceeds for random drug testing of amateur and professional unarmed combatants at any period of training. This bill was necessary to implement the budget as approved by the Joint Committee of the Assembly Committee on Ways and Means and the Senate Committee on Finance.

ASSEMBLYMAN GRADY MOVED TO DO PASS SENATE BILL 498.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Senate Bill 499: Repeals the provisions creating the Fund for the National Judicial College and the Fund for the National College of Juvenile and Family Law. (BDR 1-1284)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Senate Bill 499 was heard today and repealed the provisions creating the Fund for the National Judicial College and the Fund for the National College of Juvenile and Family Law. This was a bill that was presented as a clean-up measure to eliminate those two Funds that were no longer in use.

ASSEMBLYMAN CONKLIN MOVED TO DO PASS
SENATE BILL 499.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Assembly Bill 571: Revises provisions governing prohibitions on smoking tobacco. (BDR 15-1294)

Sean Higgins, with the law firm of Gordon Silver, appearing on behalf of United Coin Machine Company, Golden Gaming, and Affinity Gaming, presented an amendment ([Exhibit F](#)) to Assembly Bill 571.

Chairwoman Smith said the previous amendment and this new amendment were posted on the Nevada Electronic Legislative Information System (NELIS), and this new amendment was in addition to the previous amendment.

Mr. Higgins said the new words "completely enclosed" replaced the words "stand alone" in the prior proposed amendment. The term completely enclosed area was a defined term meaning an area that was enclosed on all sides by any combination of solid walls, windows, or doors that extended from the floor to the ceiling. He said this clarification should resolve the concerns expressed by some about the lack of definition of the word "area" and the possibility of persons under the age of 21 years being in the same physical room but in a different area.

Assemblyman Hickey said he was happy that legislation was passed in this state to restrict smoking in certain public places. He would support this amended bill because his understanding was the bill allowed food to be served in areas where smoking was already permitted and existed. While he agreed with persons who had expressed concerns, he believed this bill did not broaden the smoking category defined by the voter's decision. Assemblyman Hickey said the bill was fair.

ASSEMBLYMAN HAMBRICK MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 571.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Aizley, Atkinson, Bobzien, Mastroluca, and Smith voted no.)

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Chairwoman Smith said the Committee's business for its work session was finished and the meeting would be recessed and reconvened at the call of the Chair. Chairwoman Smith recessed the meeting at 12.39 p.m.

Chairwoman Smith reconvened the meeting at 7:00 p.m.

[Assembly Bill 416 \(1st Reprint\)](#): Revises provisions governing certain programs for renewable energy. (BDR 58-849)

Chairwoman Smith said she wanted the Committee to take action on Assembly Bill 416 (1st Reprint). This bill was heard earlier this morning and Assemblyman Bobzien and Assemblyman Atkinson had worked on the amendment based on testimony heard by the Committee. The amendment was detailed, and she wanted the members to have sufficient time to study the amendment before the vote on the Assembly floor was taken. She asked for discussion on the bill.

Assemblyman Kirner said the amendment was substantial, and he would support the bill but wanted to reserve his right to change his vote on the floor.

ASSEMBLYWOMAN MASTROLUCA MOVED TO AMEND AND DO PASS ASSEMBLY BILL 416 (1st REPRINT).

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Carlton, Conklin, Hogan, and Oceguela were not present for the vote.)

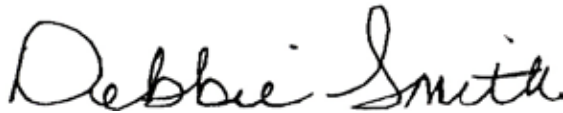
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Chairwoman Smith asked for any public comment and there was none. There being no further business before the Committee she adjourned the meeting at 7:02 p.m.

RESPECTFULLY SUBMITTED:

Janice Wright
Committee Secretary

APPROVED BY:

A handwritten signature in cursive script that reads "Debbie Smith".

Assemblywoman Debbie Smith, Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: June 1, 2011

Time of Meeting: 11:22 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Sign-In Sheet
S.B. 314 (R2)	C	Gail Anderson, Administrator, Real Estate Division	Proposed Amendment
A.B. 416 (R1)	D	Assemblyman Bobzien	Proposed Amendment 7209
A.B. 416 (R1)	E	Judy Stokey, Executive, NV Energy	NV Energy Statement and spreadsheet
A.B. 571	F	Sean Higgins, Gordon Silver	Proposed Amendment