

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

**Seventy-Sixth Session
June 3, 2011**

The Committee on Ways and Means was called to order by Chairwoman Debbie Smith at 9:11 a.m. on Friday, June 3, 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

STAFF MEMBERS PRESENT:

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

Chairwoman Smith reminded those present that the Committee would address the fiscal aspects of the bills and not hear the policy debates because those matters had been heard by the policy committees. She opened the hearing on Assembly Bill 286.

**Assembly Bill 286: Establishes the Advisory Committee on Medicaid Fraud.
(BDR S-693)**

Assemblyman Crescent Hardy, Clark County Assembly District No. 20, presented Assembly Bill 286 that established an Advisory Committee on Medicaid Fraud to conduct a study of Medicaid fraud and report recommendations to the Legislature on ways to reduce fraud. The original bill required three individuals to be appointed by each of the following three agencies: the Division of Welfare and Supportive Services, the Division of Health Care Financing and Policy, and the Office of the Attorney General. Assemblyman Hardy discussed a proposed amendment which would expand the membership from 9 persons to 12 persons. The amendment would add one person appointed by each of the following: the Department of Public Safety, the Speaker of the Assembly, and the Majority Leader of the Senate.

Assemblyman Hardy said the study would assess and implement the effective use of current laws and regulations, policies pertaining to Medicaid fraud, and the effectiveness of penalties assessed for commission of fraud. The study would review other state laws and strategies to increase detection of fraud, recoup lost revenue, increase public awareness, and encourage reporting of Medicaid fraud.

Assemblyman Hardy said the Advisory Committee was tasked with providing recommendations, legislation, amendments, and penalties aimed at reducing Medicaid fraud. The Advisory Committee preliminary report must be submitted to the Interim Finance Committee before December 31, 2011. The final report must be submitted before June 30, 2012, to the Director of the Legislative Counsel Bureau for transmission to the 77th Session (2013). This bill sunsetted on July 1, 2012, after the report was submitted.

Assemblyman Hardy said in his own business, his staff caught several non-Medicaid eligible individuals that committed fraud by receiving Medicaid assistance. He discussed the problem with Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services (DHHS). The Division found over \$6 million worth of fraud committed during the 2009-2011 biennium, but had only recouped \$1.2 million.

Assemblyman Hardy wanted approval of this bill to study proactive measures to reduce fraud. He discussed this concept with Mr. Gilliland and Charles Duarte, Administrator, Division of Health Care Financing and Policy, DHHS, and both agreed reactive measures were typical in this state. This bill was a proactive approach to find other methods to reduce fraud such as getting businesses involved and providing rewards as incentives for individuals to turn in persons committing fraud.

Chairwoman Smith clarified the conceptual amendment ([Exhibit C](#)) was posted on the Nevada Electronic Legislative Information System (NELIS) but she wondered whether there was a mock-up or other amendment. She wanted to know whether the mock-up was different than the amendment posted on NELIS.

Assemblyman Hardy said he had a copy of a mock-up conceptual amendment ([Exhibit D](#)) and provided that to the Committee to post on NELIS.

Assemblyman Hardy said there were some differences between the mock-up amendment and the conceptual amendment and the mock-up amendment included better clarification. Both amendments discussed the same type of matters. In response to a question from Chairwoman Smith, Assemblyman Hardy said the plan to pay for the task force was to have the Attorney General's existing staff do the work. The Office of the Attorney General requested authority to return to the Interim Finance Committee if necessary to request reserve funds to help pay for this. This bill did not include a fiscal note.

Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, DHHS, testified he discussed this bill with Charles Duarte, Administrator, Division of Health Care Financing and Policy, and both anticipated no fiscal effect. The Divisions anticipated using existing staff to perform the work associated with doing the study and using videoconferencing for meetings to eliminate any travel expenses. The Divisions looked forward to finding enhanced methods of prevention and detection of Medicaid fraud.

Assemblyman Hambrick said he worked in law enforcement for 30 years. He typically saw groups doing reactive things to discover fraud. Assembly Bill 286 and the amendment were proactive, and proactive methods would find fraud and weaknesses inherent in the system. He supported this bill and the proactive nature of the study.

Assemblywoman Carlton expressed concern about the numerous different tasks assigned to the Department of Public Safety. The few additional officers

authorized by the Legislature would not be hired, trained, and ready for assignment for 18 to 24 months. The state had over 2,000 known criminals and it was hard to monitor that caseload. She was reluctant to use staff resources for this study rather than dealing with dangerous criminals.

Assemblyman Hardy said the inclusion of the Department of Public Safety was a suggestion by Keith Munro, First Assistant Attorney General and Legislative Liaison, Office of the Attorney General. Mr. Munro said the study should include representation of the Department of Public Safety because it knew how to enforce the fraud requirements. This bill just authorized a study. Assemblyman Hardy proposed involvement of a representative from the Department of Public Safety to include its input.

Chairwoman Smith clarified that all this bill did was require a representative of the Department of Public Safety be appointed to the study committee.

In response to a question from Assemblywoman Carlton, Assemblyman Hardy said he imagined the representative would be the Director or the Chief of the Investigation Division. That representative would provide suggestions for addressing problems and could comment on future enforcement concepts. Police officers typically lacked the opportunity to enforce Medicaid fraud laws or be involved in the conviction of someone they caught.

Assemblyman Hardy cited an example of an employee at his business who called in to work one morning after being charged with driving under the influence (DUI). The employee asked for his paycheck. Assemblyman Hardy told him he could have his check but he would be unemployed after that for missing work. Assemblyman Hardy took the check to the police department, and there was no one there by the employee's name charged with a DUI. Assemblyman Hardy determined the employee was arrested under one name, used another name for work, and used another name for Social Security benefits. The police said they could not take any action against the employee because he paid his bail for the DUI.

Assemblyman Hardy said this bill proposed a study to determine better ways to detect Medicaid fraud.

Assemblywoman Carlton wondered whether an individual would be prosecuted for a criminal charge for Medicaid fraud.

Assemblyman Hardy said he was not sure what the charge or recommendations would be. Mr. Munro thought it was important to include a representative of the Department of Public Safety in this study to consider enforcement matters.

Assemblywoman Carlton was curious whether Medicaid fraud was currently considered a criminal charge.

Assemblyman Hardy said he was not sure about the actual charges.

Assemblywoman Carlton said she understood the desire to be proactive. She supported the efficiency part and did not want to see anyone abuse the Medicaid system. Abuse meant that fewer benefits were available to those who needed assistance. She was concerned about the criminal aspect of Medicaid fraud and how this study could turn into something else.

Assemblyman Hardy said his concern was those persons who really needed Medicaid benefits would be unable to receive benefits if the state did not curb Medicaid abuse. He thought legislators owed it to those persons needing Medicaid to protect their benefits.

Mr. Gilliland said there was a criminal Class D or Class E felony charge for Medicaid fraud. When an individual was identified by the Division as having been involved in Medicaid fraud, the Division referred those cases to the local county district attorney's office. He wanted to study whether the state was effectively using the statutory penalties that existed.

Chairwoman Smith said confusion existed about the differences between the mock-up amendment and the conceptual amendment. She wondered whether Assemblyman Hardy's intent was to include the representative of the Department of Public Safety and increase the membership of the study group to 12 members. She suggested the Committee members carefully study the changes as the bill was processed. She asked them to look at the conceptual amendment and then look at the mock-up amendment to see the increases. The Attorney General would appoint the Chair of the study committee. The staffing was specified in the mock-up amendment. The Interim Finance Committee could be approached and funding requested from the reserve category, if some funding was needed. She asked to discuss the fiscal note with a representative from the Office of the Attorney General.

Matthew Jensen, Deputy Attorney General, Office of the Attorney General (AG) said he would need to write down the questions of the Committee and take the questions back to his office to prepare a competent and accurate response.

Chairwoman Smith wondered whether the fiscal note would change from the original fiscal note because she did not see any change to the AG's involvement in the amendment. Her question was whether the AG could take on the additional work of this bill using existing staff at no cost. The

Office of the Attorney General showed \$145,000 as the cost for support staff of the AG. The amended language specified that the Division of Health Care Financing and Policy would provide the staff support necessary for the implementation of this bill. She wanted to have Mr. Jensen determine whether that amendment eliminated the cost estimated by the Office of the Attorney General.

Mr. Jensen agreed to provide answers to the Committee's questions.

Mr. Gilliland said after his discussions with the Office of the Attorney General about the amendment, Mr. Munro indicated he could reduce the AG's fiscal note to zero.

Chairwoman Smith wanted an email from the Office of the Attorney General about withdrawing the fiscal note before the Committee took action on this bill.

Chairwoman Smith asked whether anyone else wished to testify on this bill and hearing none, she closed the hearing on Assembly Bill 286 and opened the hearing on Assembly Bill 401 (1st Reprint).

Assembly Bill 401 (1st Reprint): Makes various changes concerning constructional defects. (BDR 3-382)

Assemblyman John Ocegüera, Clark County Assembly District No. 16, presented Assembly Bill 401 (1st Reprint) and said the bill did three things: it revised the definition of "constructional defect," it clarified the award of attorney fees in constructional defect claims, and it revised the statutes of limitation and repose relating to constructional defects.

Assemblyman Ocegüera said section 1 provided a rebuttable presumption that workmanship that exceeded the standards set forth in the applicable law, including any applicable local codes or ordinances, was not a constructional defect. Constructional defect meant a defect in the design, construction, manufacture, repair, or landscaping of a new residence, of an alteration of or addition to an existing residence, or of an appurtenance. That language was taken from Senate Bill No. 349 (1st Reprint) of the 75th Session (2009) that failed to receive approval.

Assemblyman Ocegüera believed this bill would deter meritless claims by limiting the types of claims that arose and ease the evidentiary burden on the construction industry by providing a simple and valid defense.

Assemblyman Ocegüera said section 2 provided that: (1) the court shall award to the prevailing party reasonable attorney's fees, which must be an element of costs and awarded as costs; and (2) the amount of any attorney's fees awarded must be determined by and approved by the court. There had been some conflict over whether this required attorney fees to be awarded. The bill clarified that attorney fees were not automatic and would only be payable to the prevailing party.

Assemblyman Ocegüera said section 3 provided for a statute of limitations of three years for an action for damages for certain deficiencies, injury, or wrongful death caused by a defect in construction if the defect was a result of willful misconduct or was fraudulently concealed. The statutes of limitation and repose in the current law for willful misconduct or fraudulent concealment was divided into three levels. The current statute of limitations was 10 years for known deficiencies; 8 years for latent deficiencies; and 6 years for patent deficiencies. Under the provisions of A.B. 401 (R1), the statute of limitations would change and the time limits would be revised for actions related to residential constructional defects. The change applied to deficiencies resulting from willful misconduct or fraudulent concealment. The proposed time limits were 3 years after discovery of the defect or 6 years after nonwillful fraudulent concealment deficiencies after substantial completion of the residence. This language provided a very definitive timeline in which action may be commenced.

Assemblyman Ocegüera said the mock-up amendment ([Exhibit E](#)) was on the Nevada Electronic Legislative Information System (NELIS) and clarified the applicability of the statute of repose limitations. The amendment added the sections that pertained to residential appurtenances and improvements and deleted the proposed study bill to eliminate the fiscal note of \$250,000.

Assemblyman Ocegüera summarized that A.B. 401 (R1) further defined constructional defects. The bill clarified that attorney fees were only awarded to the prevailing party, and the bill revised time periods for actions in the statutes for limitation and repose.

Assemblyman Goicoechea wondered whether this bill altered the law with respect to a constructional defect found by one homeowner in a development and other homeowners with that defect in the same development being allowed to join the suit against the builder.

Assemblyman Ocegüera said he believed there had been some cases about the ability to bring class action suits before the Supreme Court. Nothing in this bill specifically addressed that situation.

In response to a question from Assemblyman Goicoechea, Assemblyman Ocegüera said the proposed six-year limitation was one of the lowest time limits in the United States for the statutes of limitation and repose.

Assemblyman Hardy wondered whether the time period for the statute of limitations and repose began when the last home was built and completed in that subdivision. He also wondered whether it was Assemblyman Ocegüera's intent to establish the limit at six years after a particular home was completed or the subdivision was completed in its entirety.

Assemblyman Ocegüera said he would verify whether it was the date of completion of a specific home or the entire subdivision.

Assemblywoman Carlton said she had studied constructional defects since 1999 and she remembered many of the problems. She was concerned about the time allowed to the consumer after the purchase of a home. She wanted to know the difference between the date of completion and the time limits for the homeowner to file a suit after moving into the house. She believed this bill provided the consumer some of the protections that were needed.

Assemblywoman Carlton said one problem was the inclusion of subcontractors in a suit filed against the general contractor for work performed by the general contractor and not the subcontractors. She believed subcontractors signed contracts with the general contractor, and the inclusion provision was one of the basic components of that contract. She thought that a smart subcontractor would be able to add an exclusion provision to the contract to be dismissed from any action that did not involve the subcontractor's work.

John Madole, representing the Nevada Chapter of the Associated General Contractors of America, said his association had been a strong proponent of meaningful reform in constructional defects, but did not believe A.B. 401 (R1) met that test of being meaningful. He likened the bill to rearranging the deck chairs on the Titanic. He implored the Committee to defeat this bill and not process it any further.

Assemblyman Ocegüera explained that the date of substantial completion of a residence was the date of the certificate of occupancy. The statute of repose time limits started when a homeowner received the certificate of occupancy for his specific residence, regardless of when the entire subdivision was completed.

Chairwoman Smith wondered whether Mr. Madole would like to see changes to this bill or would prefer to have no action on constructional defects by the

76th Session (2011). She said it often took time to get things where you wanted them to be.

Mr. Madole said it was his opinion that this bill would actually impede the efforts in 2013 to develop meaningful reform on constructional defects. He worried that reform efforts in 2013 would be difficult because legislators would believe the problems were resolved in 2011. He wanted the record to reflect his comments that this bill was just window dressing and would not fix the constructional defect problem. He took the bill to an attorney who said there were about 15 problems that needed to be fixed on constructional defects, and the language in this bill would not even resolve the top five problems.

Assemblyman Ocegüera said he met with many contractors and developers during the interim and asked for a list of the five most important problems to be addressed about constructional defects. This bill included the top three problems about constructional defects shown on the lists provided. It was disingenuous to say these were not important problems. These items were the list of problems the construction industry asked Assemblyman Ocegüera to resolve.

In response to a question from Assemblywoman Carlton, Mr. Madole said the Nevada Chapter of the Associated General Contractors represented as many subcontractors as general contractors, suppliers, and others.

Assemblywoman Carlton suggested the Nevada Chapter of the Associated General Contractors work on a contract provision to limit involvement of a lawsuit to only the workers whose work was being challenged. The subcontractors who were not involved in the questionable work should be excluded from the lawsuit. The workers should ensure that they were not impeding each other. She believed the Nevada Chapter of the Associated General Contractors had the opportunity within the association to make the necessary improvements. She thought a simple solution would be to have a judge exclude those who should not be involved in the lawsuit.

Mr. Madole said the construction industry included a number of persons who were not very sophisticated, including residential subcontractors who did not have attorneys. The workers trusted the persons they worked for to prepare the appropriate contract. Many of the persons named in a lawsuit completed the work eight or ten years before the lawsuit and had no idea a lawsuit would be filed. Perhaps some solution could be developed in the future, but any solution would add to the cost of the job. The consumer would end up paying for that cost if a worker had to pay \$500 to an attorney to prepare a contract.

Assemblywoman Carlton said the Legislature had been dealing with constructional defects since 1996, and if some progress had been made it would not still be dealing with this problem today. It was frustrating to have to deal with this problem 12 years after she started and hear the exact same complaints that had not been resolved.

Mr. Madole said he shared her frustration.

Assemblyman Goicoechea said this bill would have to be heard by the Senate Committee on Judiciary, and perhaps that Committee should address the policy concerns. Because of the problems he heard with the bill, he would oppose this legislation.

Chairwoman Smith asked whether anyone else wished to testify on this bill and hearing none, she closed the hearing on Assembly Bill 401 (R1) and opened the hearing on Assembly Bill 553.

Assembly Bill 553: Revises provisions governing subsidies for the coverage of certain persons under the Public Employees' Benefits Program. (BDR 23-1222)

Andrew Clinger, Director, Department of Administration, presented Assembly Bill 553 submitted to implement the Governor's budget. The agreement reached on the budget provided that employees hired after January 1, 2012, would no longer be eligible for the state retirement subsidy for the benefits from the Public Employees' Benefits Program (PEBP). He did not have the exact numbers for the long-term effect to the state based on this agreement. The estimate prepared in 2005 showed no immediate savings to the state, but projected this policy change would save the state about \$427 million over a 30-year period. The effect of this decision would begin after about 15 years and then the savings would start to grow. Currently, there was a \$4.3 billion unfunded liability in PEBP, which would begin to decrease in the future.

Chairwoman Smith asked whether the only matter in the bill was the elimination of the subsidy for state employees hired after January 1, 2012, who retired.

Mr. Clinger confirmed she was correct and said several sections of the bill would be amended to change the effective date to January 1, 2012.

Assemblywoman Carlton wondered whether state employees would be allowed to contribute their portion of the cost of PEBP benefits. She believed this bill affected employees that would be hired next year. Those employees would

spend a certain amount of time working for the state to be vested. She suggested the state consider allowing employees to pay their own healthcare payments upon retirement so they could retain the same healthcare coverage, same doctors, and same benefits.

Mr. Clinger said what made this proposal more effective was the Board of the Public Employees' Benefits Program approved creation of health savings accounts starting July 1, 2011. All state employees would have a health savings account that basically became an individual investment account. The state would contribute \$700 per year and the employee could also contribute \$700 per year. This was a nontaxable individual investment account that allowed any state employee to contribute to the health savings account and use the funds for medical related purposes.

Assemblywoman Carlton said \$700 per year would only pay for about one month's cost of the premium for the Consolidated Omnibus Budget Reconciliation Act (COBRA) plan. State employees experienced a cut in pay, furloughs, and no merit or longevity salary increases. Putting money in a savings account for health care may not be their top priority for the next few years. Her concern was that the state could buy a better deal for the employees. She wanted to see the employees retain the ability to receive PEBP benefits but pay their costs. Shared responsibility was important.

Mr. Clinger said it would be best to discuss this matter with the PEBP staff. He thought there could be a plan to allow employees to purchase coverage as retirees but it would not be subsidized by the state.

Assemblyman Kirner said PEBP was required to comingle experience for retirees as well as active employees. Paying 100 percent of the premium did not present a big solution because you still had the actual combined experience that tended to be higher for retirees and that affected everyone's premium. He thought that 30 years from now the entire face of health care would change dramatically. The health savings account (HSA) may allow a retiree to purchase better coverage from the healthcare insurance exchange in the future.

Ron Dreher, representing the Peace Officers Research Association of Nevada, the Washoe County Public Attorney's Association, and the Washoe School Principals' Association, said he had been working on collective bargaining for a long time for local governments. He started working on collective bargaining matters because of the elimination of employee benefits. He understood that the state had to reform, and deals were made pertaining to the budget. But the amount contributed to an HSA would be insufficient to pay for one-month's worth of premium for a COBRA plan.

Mr. Dreher said it was a crucial error when Governor Guinn recommended taking away the PEBP subsidy for retirees in 2005. Costs for indigent care were increasing. He suggested that if the state did not fund these costs as a PEBP subsidy, then it would fund them another way as indigent costs. If state employees did not have medical coverage when they retired, they would go to the emergency rooms for care and the state would pay for that.

Mr. Dreher understood the state must start somewhere and understood that it would be 15 years before the state would see any savings. He suggested the Committee consider adding a sunset or a trigger to this proposal. The state could provide some subsidy to retirees when the economy improved. He said the state was making a big mistake by eliminating a benefit to retirees. The organizations that he represented opposed this bill and would return in 2013 to ask that this decision be reversed.

Kristin McMillan, President and CEO, Las Vegas Chamber of Commerce, testified in support of the bill and the changes explained by Mr. Clinger. She expressed appreciation for bringing this reform matter to a hearing. She said the discontinuation of an insurance subsidy for newly hired employees had been an important part of the Chamber's reform priorities. The state did not set aside money to pay for this benefit when the benefit was earned, but paid monthly on a pay-as-you-go basis. In fiscal year (FY) 2008-09 about \$44 million was paid in premiums, and that represented just over 20 percent of the annual contribution that would be required to pay for this subsidy over a period of 30 years. The existing subsidy policy created an unfunded liability of \$4.3 billion. It was important to address reforms such as the elimination of the subsidy. This reform would reduce the future burden on the taxpayer by paying down the unfunded liability. This reform would take pressure off the General Fund and there would be more money available in the future to address other pressing needs of the state.

Chairwoman Smith asked whether anyone else wished to testify on this bill and hearing none, she closed the hearing on Assembly Bill 553 and said that was the last bill that the Committee would hear this morning. The Committee would begin its work session.

Assembly Bill 114 (1st Reprint): Revises the amount of the fee for issuing and recording a certain permit for an existing water right for irrigational purposes. (BDR 48-209)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Assembly Bill 114 (1st Reprint) was heard by the Committee on May 12, 2011. This bill was discussed by

Assemblyman Goicoechea. The bill affected the amount of the fee charged for issuing and recording a permit for an existing water right for irrigational purposes. The fee was changed by the 75th Session (2009) and was based on a per-acre-foot calculation. This bill would adjust the fee to a flat fee of \$500. The revenue from those fees went directly to the General Fund. The State Engineer testified the effect of the change was \$332,000 over the 2011-2013 biennium.

Assemblyman Goicoechea had worked on an amendment for the bill. He met with the sponsor of the bill and the State Engineer and proposed a flat \$750 fee. Currently, the average number of acre feet included in a water transfer or permit was 400 acre-feet, which would cost \$1,450 under the existing statute. The proposed bill would provide significant savings for smaller water transfers by the average person making a water transfer or changing his water permits. The State Engineer said the state generated approximately \$600,000 more in fees than projected. The \$750 flat fee would generate about \$100,000 less each year of the 2011-2013 biennium. The excess fees would allow the Division of Water Resources to absorb the additional work without any costs to the state.

Assemblyman Goicoechea said it was important to approve this bill to correct a problem caused by the 300 percent increase in fees imposed by the 75th Session (2009). The flat fee of \$200 was increased to \$3 per acre foot plus \$250, which in many cases resulted in a tenfold increase in fees for larger irrigation projects such as when an irrigation well failed and needed to be replaced. The Legislature had not anticipated such a large increase and agreed it was too much of an increase on one segment of the population.

Chairwoman Smith said this situation was a classic example of an unintended consequence of a bill passed by the 75th Session (2009).

Mr. Combs said based on the change from the original proposal of a \$500 flat fee to a \$750 flat fee, it appeared the fiscal note would decrease by about \$95,000 over the 2011-2013 biennium and that would be a reduction to General Fund revenue from what the Economic Forum projected. The State Engineer indicated that fiscal year (FY) 2010-11 revenues from this source were higher than projected.

Mr. Combs suggested the Committee may want to ask the Fiscal Analysis Division to work with the State Engineer to see whether there was something that could be provided to the Division to analyze and demonstrate that the Division would collect the revenue projected by the Economic Forum. The revenue should equal the expense. If the Division was unable to produce that

type of evidence, then the Fiscal staff could subtract \$95,000 from the fund balance for the 2011-2013 biennium. The current fund balance was sufficient to allow the subtraction of \$95,000 without causing any undue harm.

ASSEMBLYMAN HICKEY MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 114 (1st REPRINT).

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Atkinson was not present for the vote.)

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Chairwoman Smith asked Assemblyman Goicoechea to present the floor statement on this bill.

Assembly Bill 195 (1st Reprint): Revises provisions governing the destruction and storage of court records. (BDR 19-550)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Assembly Bill 195 (1st Reprint) was heard by the Committee on May 31, 2011. A fiscal note from the Division of State Library and Archives, Department of Cultural Affairs, was attached to the bill. The fiscal note was large and increased based on various revisions that were considered as the discussion continued. The fiscal note was too large to accommodate within the existing budget.

Mr. Combs said he thought that section 3 of the bill created the fiscal costs. The provisions of section 3 pertained to the receipt of records from the Supreme Court or a district court if the court record was provided to the archives by order of the Supreme Court. The remainder of the bill appeared to be permissive rather than requiring action. To eliminate the cost, one option would be to eliminate section 3, subsection 1, paragraph (d), subparagraph (2). Another option presented by the Administrative Office of the Courts was to eliminate section 3 from the bill. The Administrative Office of the Courts' main priority was to make sure that section 1 of the bill was passed.

ASSEMBLYMAN HARDY MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 195 (1st REPRINT) BY DELETING SECTION 3.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Atkinson was not present of the vote.)

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Assembly Bill 354: Revises provisions relating to the State Personnel System.
(BDR 23-1014)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Assembly Bill 354 was heard by the Committee on May 31, 2011. This bill made various changes to the Employee-Management Committee and provided for an arbitrator rather than the Committee to make final decisions for the adjustment of certain grievances. The bill was jointly developed by union representatives and Department of Personnel staff. There was a mock-up amendment provided at the hearing, and Assemblyman Segerblom had testified in support of the amendment. Based on Fiscal staff's review, the amendment would remove the fiscal effect and the Department of Personnel agreed to the amendment.

ASSEMBLYMAN CONKLIN MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 354.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Hambrick and Kirner voted no. Assemblyman Atkinson was not present for the vote.)

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Assembly Bill 406 (1st Reprint): Revises provisions relating to the conducting of executive branch audits and investigations. (BDR 18-584)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Assembly Bill 406 (1st Reprint) was introduced by Assemblyman Hansen. Representatives of the Office of the Governor testified in support of the bill on May 31, 2011. The bill made various changes to the Division of Internal Audits of the Department of Administration. It required the Division to perform investigations and audits at the direction of the Governor. Currently, an Executive Branch Audit Committee set forth the audit plan designating the schedule for what agencies would be audited. The Division would be required to perform additional audits or investigations required by the Governor pursuant to subsection 6 of *Nevada Revised Statutes* (NRS) 353A.038. Current law required preparation of an audit plan for each

fiscal year. A possible fiscal effect could result if the Governor directed the Division to perform a number of audits, and the Internal Audit Division did not have authority to adjust its audit plan

Mr. Combs said if the Committee wanted to ensure no undue fiscal effect would result, it might wish to add language to the bill that required the audit plan be adjusted based on the additional responsibilities that the Governor placed on the unit during any given fiscal year.

Mr. Combs said another problem pertained to the annual report submitted by the Chief of the Division of Internal Audits to the Audit Committee. That report included all audits listed in the annual plan. The report would not include information about any audit directed by the Governor. The Committee may wish to add that same level of reporting as a requirement for any audit directed by the Governor. Section 6 required that the Chief submit the final report to the Governor and the head of the audited or investigated agency when the Governor was the one directing the audit be performed. This requirement did not affect the agency in any fiscal manner. The Division of Internal Audits needed the ability to adjust its audit plan based on what it was asked to do by the Governor.

Chairwoman Smith wondered whether Lucas Foletta, General Counsel of the Governor's Office, asked for any changes.

Mr. Combs said he received telephone calls from Joey Orduna Hastings, Legislative Coordinator of the Governor's Office, but had been unable to return the calls. He had not received anything in writing, but the Governor's staff offered to work with him to develop some additional language. He would work with the Governor's staff if the Committee was not ready to take action on the bill as yet and see what could be developed.

Chairwoman Smith wanted to wait until the language had been clarified before acting on this bill.

Assemblyman Conklin said this audit matter was discussed during the last several sessions, and he wondered about the practicality of having a governmental branch audit/investigate itself. He thought self-auditing did not make sense. Other states that had broad investigation and auditing powers usually assigned the audit task to an independent branch, not to the same branch. If you were going to audit yourself, you would not have eliminated the opportunity to create deceit in the system. Assemblyman Conklin believed the Legislature should consider the problems inherent in having a governmental branch audit itself.

Senate Bill 440 (1st Reprint): Creates the Silver State Health Insurance Exchange. (BDR 57-1172)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Assembly Bill 440 (1st Reprint) was heard by the Committee yesterday. This bill created the Silver State Health Insurance Exchange. Mr. Willden, Mr. Duarte, and the Insurance Commissioner testified on the bill. The problem that arose was the proposal to have the Executive Director position and staff in the nonclassified service of the state. This provision was specified in section 23 of the bill. Mr. Combs noted that the Legislature lacked control over the salary of positions in the nonclassified service. This was a policy decision for the Committee.

Assemblywoman Mastroluca said the bill provided services relating to the purchase and sale of health insurance by residents and certain employers in this state. It was a positive move and put the appropriate people in place to get the exchange up and running. She recommended that all the staff positions be unclassified, which provided control of the salaries to the Legislature.

Mr. Combs said there would be an unclassified pay bill introduced soon that would not include these positions. There was a section in the unclassified pay bill that stated if any position was omitted, a request could be presented to the Interim Finance Committee (IFC) to set the salary for the 2011-2013 biennium. From that point forward, the positions would become part of the unclassified pay bill. The only concern Mr. Willden expressed was he wanted to ensure the salary was competitive for the Executive Director position. Rather than the Committee trying to determine the proper salary amount today, Mr. Combs recommended the Committee rely on that section in the unclassified pay bill. The members of the Committee could consider the proper salary amount at the IFC meeting after a review of the Department's plan and the duties of the positions.

In response to a question from Assemblyman Kirner, Chairwoman Smith said that the unclassified positions included the Executive Director and the staff positions.

ASSEMBLYWOMAN MASTROLUCA MOVED TO AMEND AND DO
PASS SENATE BILL 440 (1st REPRINT).

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chairwoman Smith asked Assemblywoman Mastroluca to present the floor statement on this bill.

Assembly Bill 526: Repeals the requirement for the State Fire Marshal to inspect state buildings. (BDR 42-1204)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Assembly Bill 526 was heard by the Committee yesterday. This bill was submitted on behalf of the Budget Division. The bill pertained to the State Fire Marshal's responsibilities for inspecting state buildings. The bill was originally submitted to repeal the requirement to inspect state buildings. The amendment presented by the agency would change the language to allow the State Fire Marshal to conduct inspections less frequently than the annual inspections required by the current statute.

Mr. Combs said there was concern expressed that the language allowed the State Fire Marshal to maintain a prioritized schedule but provided no direction about the priorities of that schedule. After discussing this problem with the State Fire Marshal, it was agreed that a provision could be added in subsection 1 of *Nevada Revised Statutes* 477.035 that the State Fire Marshal adopt regulations establishing the criteria for the inspection, and prioritization of state-owned and -occupied buildings. That provision would give the Legislative Commission the opportunity to review the criteria used by the State Fire Marshal in deciding its prioritized schedule of inspections.

Assemblyman Ocegüera said adding the regulation provision sounded better than the original proposal.

ASSEMBLYMAN KIRNER MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 526.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Senate Bill 483 (1st Reprint): Authorizes the Department of Motor Vehicles to enter into certain agreements relating to advertising. (BDR 43-1185)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Senate Bill 483 (1st Reprint) was heard by the Committee on May 19, 2011. This bill was part of the package of bills submitted by the Budget Division to implement The Executive Budget. The bill authorized the Department of Motor Vehicles to enter into certain agreements relating to advertising. He recalled the budget was closed with some expenditure authority for the Department of Motor Vehicles (DMV) to enter into these contracts for advertising at DMV offices.

Mr. Combs said the amendment presented by the Capitol Company on behalf of R. L. Polk and Company and CARFAX, Inc., added a provision to *Nevada Revised Statutes* (NRS) 481.063 to allow DMV to provide vehicle data about recalls, advisories, and vehicle histories to a person under contract with the Department. The Department was otherwise prohibited from releasing vehicle data except for certain specific exceptions.

In response to a question from Assemblyman Hickey, John Griffin, representing R. L. Polk and Company and CARFAX, Inc., said the companies that contracted with DMV would pay for the information. CARFAX provided vehicle histories to consumers, from birth of a vehicle to its death, including emissions, accidents, and other matters. CARFAX enhanced public safety by providing reports for police use including recalls, vehicle identification number (VIN) switching, odometer rollbacks, and theft information. Forty-eight other states provided this information. He had worked with the Office of the Attorney General for some time. The wording of Nevada's statute was circular and confusing. The purpose of the proposed amendment ([Exhibit F](#)) was to clarify the language. CARFAX currently received VIN information from DMV and paid for that data. Security provisions were in place and DMV required compliance to receive that data.

John Sande IV, speaking on behalf of John Sande III and Alfredo Alonso, who together represented the Western States Petroleum Association, Nevada Franchised Auto Dealers Association, and the Alliance of Automobile Manufacturers, proposed an amendment ([Exhibit G](#)). This amendment would transfer authority to develop regulations about the specifications of motor vehicle fuel from the State Board of Agriculture to the Department of Motor Vehicles (DMV). He believed DMV was better prepared and more capable of handling issues regarding fuel in motor vehicles. He hoped the Committee would look favorably on this amendment.

Assemblyman Conklin said Nevada's antiquated fuel standards were a problem. He served on the Legislative Commission's Committee to Conduct an Interim Study on the Production and Use of Energy (2009-2010). The Committee

considered moving the regulatory and enforcement tasks pertaining to fuel standards to DMV, but the cost was prohibitive. The Committee next considered moving the regulatory tasks of drafting regulations about appropriate fuel standards to DMV. That proposal was discussed with Mr. Clinger and other interested parties. The parties supported moving the establishment of fuel standards out of the political realm and into the bureaucratic realm, which was where it should be.

Assemblyman Goicoechea was concerned that the transfer might create some fiscal costs.

Troy Dillard, Deputy Director, Department of Motor Vehicles, said this transfer had no fiscal cost to DMV, which would absorb the additional work within the sections that currently handled regulatory functions and would be added to their other responsibilities.

Assemblyman Goicoechea wanted to ensure there was no fiscal effect. He said the plan was to have DMV conduct the regulatory work and the State Department of Agriculture conduct the testing and gathering the samples. He was unsure how well those tasks would mesh. He was concerned that the Department of Agriculture would be sampling and testing fuel samples, but DMV would establish the regulations.

Mr. Dillard said this amendment would move the regulatory process to DMV, which would hold public workshops and hearings for all parties to provide input before a final decision was made. All regulations were presented to the Legislative Commission for approval at a public hearing. The enforcement tasks would remain with the Department of Agriculture, even though some of those functions were funded through a DMV account. There was enough interaction between the two agencies that both believed this proposal would work.

Assemblywoman Carlton said the evolution of fuels and different types of biodiesels presented a constantly changing target. She was concerned about whether DMV staff had the expertise to evaluate these fuel matters and develop appropriate regulations.

Mr. Dillard said DMV had a unit called Management Services and Programs Division that performed research and development work. It was their responsibility to search out evidence and arguments for all sides of a problem and bring the matters together in a public forum so decisions could be made in public through workshops and hearings.

Assemblyman Conklin said he did not believe that such a unit existed at the Department of Agriculture specifically for fuel standards and was pleased to hear DMV had such a unit. The issues that came before the Committee were complex, and it was difficult to know who to believe. Sometimes the only information being provided was information from persons who had a financial interest in the decision. Assemblyman Conklin wanted impartial research and information presented from someone who was looking out for the public's best interest. That type of impartial information would assist the Committee when fair decisions were required to benefit the state as a whole.

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

In response to a question from Chairwoman Smith, Mr. Sande IV confirmed this amendment was specifically about fuel and not oil.

Chairwoman Smith wanted to discuss the language that pertained to advertising at DMV on equipment that would be provided by sponsors. She expressed concerns about advertising but believed the Committee was comfortable with the concept. She wondered whether Mr. Dillard would be comfortable with imposing a sunset to allow a future Legislature to reexamine this matter to see how it was working.

Mr. Dillard agreed with the concept of a reporting mechanism to the Legislature to show how the advertising program worked. He was concerned about adding a sunset rather than a reporting mechanism. The Department planned to issue a request for proposal (RFP) for a vendor to purchase flat screen televisions which would show sponsored advertisements. The advertisements would not be standard commercials but would be public service announcements that would include such items as how to properly install car seats, changes in laws regarding motor vehicles, DMV informational items, and other things to educate the public as they waited in the DMV offices.

Mr. Dillard said he was concerned because DMV intended to upgrade its outdated cueing system that was no longer supported by the manufacturer. He anticipated being able to upgrade the cueing system at no cost to the state because of the advertising proposal. If a sunset was imposed, DMV may not get as good a deal as anticipated. He hoped to be able to offer a longer term for the contract, and a sunset would not allow that. He agreed that it was a good idea to include a reporting requirement to inform the Legislature how the advertising program was working and what controls and restrictions were in place.

Chairwoman Smith said she was comfortable with a reporting mechanism rather than a sunset.

Assemblywoman Carlton said she was concerned that a sponsor would pay for the monitors and would receive more advertising than was commensurate with the cost of the monitors. The advertising should not extend indefinitely beyond the cost of the monitors. She hoped DMV would determine the cost of the monitor, determine the worth of the advertising, and work out a fair deal that would be part of the contract. She did not want the sponsor to automatically get a permanent place to advertise within DMV for the cost of a TV monitor. If that was how the program would work, she would buy a monitor and advertise herself.

Mr. Dillard said he believed that an open advertising option would generate more revenue, but sponsored buys of public service announcements would generate far less revenue. The cost of maintaining and upgrading the DMV cueing system would be written into the RFP. He did not expect to generate a profit return with this type of program. The Legislature had not expressed a desire to develop a broad, open advertising option, but if it did then some type of revenue sharing might work. He did not believe it would be effective under the current design.

Assemblywoman Carlton understood the revenue sharing concept, but she wanted to ensure that once the contract was agreed to the advertising would be limited to the value received. This deal must be fair for both parties.

Mr. Dillard said DMV would review the fairness as part of the RFP process. The evaluation committee would determine what DMV received over what period of time. He understood Assemblywoman Carlton's concerns, and through the RFP phase, DMV would evaluate the fairness for the first two years and for the subsequent phase after that.

Chairwoman Smith said the bill stated the Director may establish regulations to help develop and monitor the program. That provided her some level of comfort. Chairwoman Smith said the Committee had the original bill that included the reporting mechanism to inform the Legislature about the outcome of the program. The Committee had the amendment from Mr. Griffin regarding the CARFAX matter and the other amendment from Mr. Sande III regarding the transfer of regulation authority for fuels to DMV.

Assemblyman Goicoechea requested some additional information and reserved his right to change his vote on the floor.

ASSEMBLYMAN HICKEY MOVED TO AMEND AND DO PASS
SENATE BILL 483 (1st REPRINT).

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Assembly Bill 123 (1st Reprint): Makes various changes relating to certain facilities that provide health and related care. (BDR 40-159)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Assembly Bill 123 (1st Reprint) increased the frequency of inspections of homes for individual residential care from 18 months to 12 months. The Health Division indicated that the amendments approved by the Assembly Committee on Health and Human Services reduced the fiscal note significantly. The remaining portion of the fiscal note totaled \$38,000 in fiscal year (FY) 2011-12 and \$46,000 in FY 2012-13. This account was funded by fees charged for the inspections. The Health Division would need to adjust its fee schedule to collect additional fees to cover the additional expense. Concern had been expressed about changes to the fees charged for inspections. He thought it was not advisable for the Committee to take action on the bill without the Committee fully understanding what the Division needed to do to implement this bill if it were to pass. The Health Division would provide details.

Marla McDade Williams, Deputy Administrator, Health Division, said this bill would increase the frequency from 18 months to 12 months for inspections performed by the Health Division on homes for individual residential care. There were between 230 to 270 of those types of facilities that the Health Division was required to inspect on an annual basis.

Ms. McDade Williams said the Health Division assessed the time and effort of the inspection workload retroactively. The Division assessed the amount of inspection time spent in these facilities to ensure that the fees collected equaled the cost of time spent in those facilities. The Division would be unable to catch up with the actual cost of doing these inspections for one or two years. After the history was gathered, the costs would be reflected in the licensure fees paid by the facilities.

Chairwoman Smith recalled a similar situation occurred when the Legislature changed the inspection time frame in the 75th Session (2009). The fees collected did not match the costs until the 76th Session (2011) began and the

problem was addressed. The bill posed a policy question about whether the Legislature wanted these residential care facilities inspected every year instead of every 18 months. If so, then the fee needed to be adjusted to accommodate the increased cost. Chairwoman Smith asked whether the Committee wanted to follow the recommendation in the bill to inspect these facilities more often.

Assemblywoman Mastroluca said the Assembly Committee on Health and Human Services heard testimony about the importance of inspections for the safety of the persons in residential care facilities. She believed that increasing the frequency of the inspections from 18 months to 12 months would reduce the number of complaints about the facilities. Complaints required inspectors to return to the facility an additional time, which cost more money. She thought having more frequent inspections would resolve problems more quickly and save the state money in the future.

ASSEMBLYWOMAN MASTROLUCA MOVED TO DO PASS AS AMENDED ASSEMBLY BILL 123 (1st REPRINT).

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Goicoechea, Grady, Hambrick, Hardy, Hickey, and Kirner voted no.)

* * * * *

Chairwoman Smith asked Assemblywoman Mastroluca to present the floor statement on this bill.

[Assembly Bill 406 \(1st Reprint\)](#): Revises provisions relating to the conducting of executive branch audits and investigations. (BDR 18-584)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said he spoke to Andrew Clinger about Assembly Bill 406 (1st Reprint). Mr. Clinger would provide an explanation to the Committee about a position vacancy of which Mr. Combs was unaware.

Andrew Clinger, Director, Department of Administration, testified that the agency currently had a vacant position within the Division of Internal Audits. The agency would use the vacancy savings to cover the cost of implementing this bill. The Office of the Governor agreed that the agency could use existing resources to implement this bill.

Chairwoman Smith asked about the recommended language to clarify the priorities of how the audits or investigations would be selected.

Mr. Combs said Mr. Clinger confirmed the agency had sufficient resources to perform the audits selected by the Executive Branch Audit Committee and the Governor. No changes to the bill's language were needed. It was the Governor's responsibility to monitor the workload of the office to ensure it was not being asked to do more than staff could handle.

Mr. Clinger said the Division of Internal Audits currently had to prioritize its audits. The Division prepared an audit plan for each year. When a problem arose, the Division would modify its audit plan. He cited an example of the Department of Taxation that was not listed on the original audit plan but was added because of problems that arose with mining audits. The Division shifted its resources to accommodate the audit of the Department of Taxation. This type of situation was common, and the Division dealt with this on a continuous basis, looking at its priorities and adjusting when necessary.

Chairwoman Smith asked for public comment and there was none. She said there was no further business to come before the Committee at this time. She recessed the meeting at 10:59 a.m. to be reconvened later at the call of the Chair.

Chairwoman Smith reconvened the meeting at 5:07 p.m. to conduct a work session on several bills.

Senate Bill 426 (1st Reprint): Makes various changes related to energy.
(BDR 58-1156)

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Senate Bill 426 (1st Reprint) was heard yesterday by the Committee and was one of the bills necessary to implement the budget. There were several questions regarding the language in the bill pertaining to the fiscal note. The bill required the Office of Energy and its Director to assume the responsibilities of certain repealed entities including the Renewable Energy and Energy Efficiency Authority. This bill would be consistent with the actions closing the budget for the Office of Energy.

Stacey Crowley, Director, Office of Energy, said the Nevada Association of Counties expressed concern about the posting of fiscal notes for the renewable energy tax abatement programs conducted by the Office. Currently, there was a process in place, and she intended to continue with the process of establishing fiscal notes for the renewable energy projects in the tax abatement

program. The fiscal notes allowed the affected counties and the state to understand the fiscal effects of renewable energy projects. The benefit that these projects provided to the state and the county averaged about a 10-to-1 ratio of money invested compared to taxes abated, according to statistics maintained by the Office.

ASSEMBLYMAN CONKLIN MOVED TO DO PASS
SENATE BILL 426 (1st REPRINT).

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chairwoman Smith said the next two bills before the Committee proposed interim studies. Several other bills being considered would change the way the Legislature conducted interim studies. The language in these bills may not be exactly right, but when bills passed approving interim studies, the Legal Division would make the necessary changes to the language in the bills to correct any differences. What the Committee would approve was the concept, and not the specific language.

Assembly Bill 427 (1st Reprint): Enacts provisions requiring the payment of deposits and refunds on certain beverage containers sold in this State. (BDR 40-1079)

Chairwoman Smith said this bill required deposits be paid on recyclable beverage containers. There was a fair amount of interest in recycling from both businesses and conservationists, but the Legislature would not be able to improve the recycling program during the 76th Session (2011). Assembly Bill 427 (1st Reprint) was heard by the Assembly Committee on Natural Resources, Agriculture, and Mining but was referred with no recommendation. Assemblyman Ohrenschall's proposed amendment ([Exhibit H](#)) was posted on the Nevada Electronic Legislative Information System (NELIS). His proposal was that an interim study committee should consider the matter of requiring deposits on certain recyclable beverage containers.

In response to a question from Assemblyman Kirner, Chairwoman Smith said there was no fiscal note because each interim study committee was given a budget to complete the required work. Regardless of the items assigned for study, the interim study committee was provided a budget. The Legislative Commission would review all these bills and distribute the study

assignments to the appropriate interim committee, if the bill passed that changed the interim study committee structure.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said there was a certain amount of money that was budgeted for interim studies and statutory committees. It was a limited amount of funds so the Legislature should limit the number of interim study committees approved. The Legislative Counsel Bureau would provide the staff to support the interim study committees. There were limitations on how many items could be studied by each committee.

Chairwoman Smith said she had been concerned about the number of items recommended for study. She wanted to suggest a topic for an interim study committee, but looked to see how many studies were recommended and found there were only a few. She said each interim committee would decide how much time it could devote to each subject based on what its assignments were. If there were many assignments, the committee may not be able to address issues in depth. The budget effect of approving an interim study committee should be zero.

ASSEMBLYWOMAN CARLTON MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 427 (1st REPRINT).

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Assembly Bill 550: Provides for the construction, operation and maintenance of state ports of entry. (BDR 35-892)

Chairwoman Smith said the Committee heard this bill on May 9, 2011, and Assembly Bill 550 provided for the construction, operation, and maintenance of state ports of entry. The bill contained a substantial fiscal note regarding the implementation of ports of entry. An amendment ([Exhibit I](#)) proposed by the International Brotherhood of Teamsters, Local 631 was posted on the Nevada Electronic Legislative Information System (NELIS). The amendment directed an interim study of the feasibility of establishing state ports of entry.

Assemblyman Goicoechea wondered whether this bill would be sent to the Legislative Commission and be assigned to the appropriate study committee. Assemblyman Goicoechea also wondered whether there would be a cost

incurred if the Legislative Commission assigned the study. He was concerned about the cost because this matter of ports of entry had been studied, and any cost to study this matter again seemed inappropriate.

ASSEMBLYMAN OCEGUERA MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 550.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

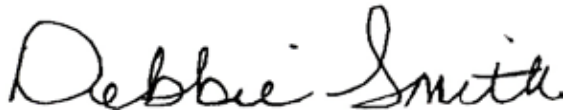
THE MOTION PASSED. (Assemblymen Goicoechea, Grady,
Hambrick, Hardy, Hickey, and Kirner voted no.)

Chairwoman Smith asked whether there was any public comment and there was none. She said the Committee would begin tomorrow morning at 8:30 a.m. There being no further business before the Committee she adjourned the meeting at 5:18 p.m.

RESPECTFULLY SUBMITTED:

Janice Wright
Committee Secretary

APPROVED BY:



Assemblywoman Debbie Smith, Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: June 3, 2011

Time of Meeting: 9:11 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Sign-In Sheet
A.B. 286	C	Assemblyman Hardy	Proposed Conceptual Amendment
A.B. 286	D	Assemblyman Hardy	Mock-Up Amendment #6941 to A.B. 286
A.B. 401 (R1)	E	Assemblyman Ocegueda	Mock-up Amendment #7377 to A.B. 401 (R1)
S.B. 483 (R1)	F	John Griffin, The Capitol Company	Proposed Amendment to S.B. 483 (R1)
S.B. 483 (R1)	G	John Sande III	Proposed Amendment to S.B.483 (R1)
A.B. 427 (R1)	H	Assemblyman Ohrenschall	Proposed Amendment 7388 to A.B. 427 (R1)
A.B. 550	I	Fran Almaraz, International Brotherhood of Teamsters, Local 631	Proposed Amendment to A.B. 550