# MINUTES OF THE
# SENATE COMMITTEE ON COMMERCE, LABOR AND ENERGY

## Seventy-sixth Session
## March 4, 2011

The Senate Committee on Commerce, Labor and Energy was called to order by Chair Michael A. Schneider at 10:52 a.m. on Friday, March 4, 2011, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Michael A. Schneider, Chair
Senator Shirley A. Breeden, Vice Chair
Senator David R. Parks
Senator James A. Settelmeyer
Senator Elizabeth Halseth
Senator Michael Roberson

**COMMITTEE MEMBERS ABSENT:**

Senator Allison Copening (Excused)

**STAFF MEMBERS PRESENT:**

Scott Young, Policy Analyst
Matt Nichols, Counsel
Vicki Folster, Committee Secretary

**OTHERS PRESENT:**

Stacey Crowley, Acting Nevada Energy Commissioner, Nevada Renewable Energy and Energy Efficiency Authority; Director, Office of Energy, Office of the Governor
Robert Nellis, Energy Program Manager, Office of Energy, Office of the Governor
Hilary Lopez, Chief of Federal Programs, Housing Division, Department of Business and Industry

Kim Frakes, L.C.S.W., Executive Director, Board of Examiners for Social Workers
James V. deProsse, Administrator, Manufactured Housing Division, Department of Business and Industry
George E. Burns, Commissioner, Division of Financial Institutions, Department of Business and Industry
John Sande, IV, Nevada Bankers Association
Jesse Wadhams, Nevada Independent Insurance Agents

CHAIR SCHNEIDER:
Assembly Bill 124 will not be heard today and is rescheduled to Wednesday, March 9, 2011.

**ASSEMBLY BILL 124**: Requires a funeral director to report the names of certain deceased persons to the Office of Veterans' Services. (BDR 54-162)

Today we are conducting a work session. During work session, the Committee will not hear testimony unless there is specific information the Committee needs clarified. We will open the work session with Senate Bill (S.B.) 60.

**SENATE BILL 60**: Revises provisions relating to the Fund for Renewable Energy, Energy Efficiency and Energy Conservation Loans. (BDR 58-410)

Ms. Crowley, would you please describe the memo (Exhibit C) you provided to the Committee for clarification?

STACEY CROWLEY (Acting Nevada Energy Commissioner, Nevada Renewable Energy and Energy Efficiency Authority; Director, Office of Energy, Office of the Governor):
Robert Nellis, Energy Program Manager, Office of Energy, manages the State Revolving Loan Fund (Fund). He will discuss specific questions regarding his memo summary of the American Recovery and Reinvestment Act (ARRA) project and the $9.2 million grant funds, Exhibit C.

We discussed S.B. 60, a bill that proposes to expand the uses for the Fund to include energy-efficiency and energy-conservation projects, in this Committee on February 23, 2011. Today we are bringing an additional proposed amendment to the bill Exhibit C. Currently, only renewable-energy projects are able to take advantage of this program by statute. The original intent of the

Fund was to include funding of energy-efficiency and energy-conservation projects using the Fund. This will help to continue and grow a sustainable fund for the long-term benefit to Nevada. This amendment will also establish priority for larger projects. The other amendment will include renewable-energy manufacturing projects as allowable types of projects.

The memo submitted on March 1, 2011, describing the Fund Exhibit C, will clarify that the director can use all of, or a portion of, the interest from the Fund to administer funding. *Nevada Revised Statute* (NRS) 701 describes the director's ability to manage the Fund program. The statement, "... in accordance with the requirements and objectives of the American Recovery and Reinvestment Act," demonstrates the intent of the provision for management to use these funds to administer the Fund. The use of a portion of the interest for the administration of the Fund is critical to the success of the program. Our team has managed the program so effectively that they made it the first program in the Nation to have loaned out 100 percent of its ARRA funds to qualified renewable-energy projects. The team has ensured the funds revolve back quickly into the Fund so that additional requests for proposals may be submitted and new projects initiated.

To clarify, the administration of the Fund is kept to a minimum in terms of the administrative project team; a description of those positions is listed at the end of the Revolving Loan Plan, Exhibit C.

SENATOR SETTELMEYER:
I would be against using the Fund to pay for the administrative costs to administer the program. However, using only the interest revenue of the Fund to administer the program is not as bad. I want to promote this industry and get people employed. Do you know what the interest revenues were from last year?

MS. CROWLEY:
At this time, we have not received any interest revenue from the projects. The loans have an average payback of about five years. Most of the projects are still under construction, but they will start paying back the principal and the interest in the next few months. An estimate and payment schedule based on the contracts we have signed are shown, Exhibit C. Robert Nellis may be able to speak on the estimated interest revenues.

Included, Exhibit C, is an estimate of the interest revenues expected in a fiscal year (FY). We expect to receive $29,515 in revenue from interest in FY 2011. The estimated interest revenue for FY 2012 is $205,474. We do not intend to spend any of the interest from FY 2011 to administer the Fund. We still have ARRA funds to do that. Starting in FY 2012, we estimate we will need to use $43,000 to administer the Fund. Our estimate for FY 2013 is to spend $272,695 to administer the Fund.

SENATOR SETTELMEYER:
I am okay with that concept, because it puts the estimated expenditures at the point of the next Legislative Session where adjustments could be made at that time, if necessary.

ROBERT NELLIS (Energy Program Manager, Office of Energy, Office of the Governor):
Director Crowley covered the estimated interest revenues expected thoroughly. Any interest that is not being expended is carried over to the next fiscal year. Unspent interest and anything above the administrative expenses would also be loaned out in that fiscal year.

HILARY LOPEZ (Chief of Federal Programs, Housing Division, Department of Business and Industry):
We support S.B. 60. My understanding from my discussions with Ms. Crowley is that some of the developers of affordable housing would be eligible to apply for loans from this Fund, through the suggested amendment of the bill. Many of the developers of affordable housing are moving toward, or contemplating moving toward, the addition of energy-efficiency and energy-conservation projects at their developments. For example, some developments under construction, or recently completed, have incorporated photovoltaic systems to offset up to 5 percent either of the common area or total energy demand at that project. Therefore, the Division sees this as another resource available to these developers to help move in this direction. I understand that as part of a more recent amendment there is language that will limit these funds to projects that do not receive other subsidies. We are hopeful we could work with Ms. Crowley to clarify this language. The subsidies that many of our developers receive are to help them offset the costs associated with building the housing, not necessarily an incentive to move toward the incorporation of energy-efficiency or energy-conservation projects. The ARRA funds would be a good way to

incentivize incorporating energy-efficiency and energy-conservation into their projects.

SENATOR SETTELMEYER:
Would you and Ms. Crowley be in agreement if we use the term "direct subsidy?" Would that solve the issue?

MS. CROWLEY:
That would be fine.

CHAIR SCHNEIDER:
Would that be acceptable for the Housing Division?

MS. LOPEZ:
That would be acceptable.

SENATOR SETTELMEYER:
If that is acceptable with the Chair and Counsel, I would put forth the concept to amend and do pass with amendment from Ms. Crowley and an additional amendment from the Committee to add the term "direct" to indicating the subsidy be a "direct" subsidy, potentially allowing the other divisions to take advantage.

MATT NICHOLS (Counsel):
> I want to clarify on the record the intent of the Committee's amendment would be that the exception for other subsidies would be subsidies directly related to the energy-efficiency or the emergency-conservation portion of those projects, but not subsidies that might come from other sources or for other reasons. Is that correct?

SENATOR SETTELMEYER:
That is correct.

CHAIR SCHNEIDER:
That is correct. They could get subsidies from other areas for other things.

> SENATOR SETTELMEYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 60.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR SCHNEIDER:
We will now open discussion on S.B. 61. In a previous hearing, the Committee requested the Board of Examiners for Social Workers to provide additional information on several issues pertaining to this bill. Kim Frakes, Executive Director, Board of Examiners for Social Workers (Board), responded to the request in a letter dated February 25, 2011 (Exhibit D).

**SENATE BILL 61**: Makes various changes relating to social work. (BDR 54-506)

SENATOR HALSETH:
I have concerns about why it is necessary to have a licensure as a master social worker. Licensures for independent and clinical social workers already require a master's degree. I do not understand the need for the additional licensure.

KIM FRAKES (Executive Director, Board of Examiners for Social Workers):
The licensed master social worker (LMSW) license is the Board's attempt to address the mental health licensed practitioner shortfall in Nevada. In a previous legislative session, a similar discussion regarding the licensed clinical professional counselor (LCPC) was introduced with the Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors. They provide limited clinical services to address the shortfall. Along with the LCPCs, the LMSWs would actually perform the limited clinical assessments. The LMSW license indicates to the public that the masters-level social worker has taken the masters-level examination, a higher level of competence via examination and a higher level of educational accomplishment.

SENATOR HALSETH:
A licensed clinical social worker (LCSW) now requires a master's degree for licensure. Would you change the requirement to have a bachelor's degree only and not the master's degree for this licensure? I do not understand the difference. I understand the testing with the Board, but I do not understand why there is difference in a LCSW versus a LMSW. Even the licensed independent

social worker (LISW) requires a master's degree. I do not see a necessity to create more legislation for this.

MS. FRAKES:
There would be three levels of master's-level social workers. The master's-level LCSW and LISW licenses would still require the need to go through an internship. Their level of expertise and scope of practice is much broader. The LCSW, master's-level social workers, are currently lumped into the LCSW along with the bachelor's-level social worker. The LCSW individuals have to go through an internship. The difference is the LMSW has a master's degree, takes a master's exam, becomes licensed as a master's social worker and does the limited scope of practice described in regulations. The LCSW is the individual who has 3,000 post-graduate hours, a pre-certification step; they have to pass the master's examination, hold a master's degree and participate in a post-graduate internship for a higher level of clinical work. They actually work under the LCSW and, as their learning experience grows, they need to intern under the LCSW in an approved clinical program. It is a post-graduate additional 3,000 hours. It is compared to medical doctors who have to complete a post-graduate step for licensing. The LCSWs do this in a clinical, psychiatric mental-health setting.

The difference is the LMSWs conduct a more-limited scope of work, conducting psychosocial assessments and higher-level case management, perhaps in an agency requiring a higher degree of mental-health education. They work with clients who may not always buy into the process. The LCSWs do more of the higher-level psychotherapy and conduct psycho-therapeutic groups. The LCSWs actually do psychotherapy as indicated in our laws and regulations. They get to do that because they have the 3,000 post-graduate hours and also pass another level of examination, the clinical examination. This establishes minimum confidence and guidance for the 3,000 post-graduate hours.

I can address the LISW license type if the Committee wishes.

SENATOR HALSETH:
I would like to know that, but I would also like to know whether we have psychotherapists.

MS. FRAKES:
We do have psychotherapists licensed under LCSWs. Individuals eligible to conduct psychotherapy are exclusively LCSWs. The reason they are able to conduct psychotherapies is that they have completed the 3,000 hours of post-graduate work and supervision, and have passed a competency exam.

SENATOR HALSETH:
So, if they are already doing this, what is the need to create another license type?

MS. FRAKES:
Creating another license type will address the shortage of licensed mental-health practitioners in Nevada. An example is when high-risk mental-health patients are released from a hospital, they are listed on a higher priority list to be seen by the community mental-health clinics. The requirement is to see these patients within two weeks after discharge. As an LCSW, I was able to make sure that happened, but it meant that another patient who had been waiting for a psychosocial and general assessment would be bumped off the waiting list. The LMSW, working under the supervision of the LCSW, could make these types of assessments.

SENATOR SETTELMEYER:
I appreciate the information you provided, Exhibit D; however, there are some matters brought up during testimony that I wanted to make sure are addressed. The language is still confusing in section 5 of S.B. 61. I am curious about the concept of, "Accredited by the Council on Social Work Education ... ." My concern is with the accreditation of individuals located in foreign countries. As Senator Parks indicated earlier, we both received several e-mails from individuals worried about the quality of the practitioners. There were concerns we were going in a far more lax direction. Could you address those concerns?

MS. FRAKES:
If we have an individual from a foreign country who applies to our Board, their courses have to be accepted by the Council of Social Work Education (CSWE) that oversees university social work programs. Both the University of Nevada, Reno and the University of Nevada, Las Vegas are approved by CSWE. For example, students from the Philippines would need to provide copies of transcripts and course descriptions with their applications and contact CSWE to have the course work approved. The CSWE then reviews the information

provided and compares the information with our course-work requirements. Course consideration includes the number of hours and course descriptions. The Board does not look at those transcripts until a formal letter is received from CSWE that indicates the applicant's degree is equivalent to our approved standards.

SENATOR SETTELMEYER:
Do you consider the new qualifications for this new type of license or sublicense to be a "junior license" with slightly less qualifications? Is this how we will acquire more social workers?

MS. FRAKES:
I do not know if it would be a sublicense, but it is a different license type. If you base it on the level of experience and competency, considering the examination, then I would have to say yes.

SENATOR PARKS:
I received a number of e-mail inquiries from individuals who work in the profession, and they are not in support of this bill. There seems to be a perception by individuals that this bill will delete the requirement to complete an internship or practicum before becoming certified. Is this correct? Also, is it the intent of this bill to relax some of the qualifications to allow a greater number of individuals to be licensed with those letter designations?

MS. FRAKES:
In regard to your first question of eliminating the need for an internship, the answer is no. There will still be a need for those social workers who wish to pursue the LCSW or the LISW level of licensure, and an internship and post-graduate 3,000 hours are still required. This is under the supervision of a LCSW and requires the level of competency based on passing the examination. If the LMSW is approved, the interns will eventually need to be shifted through regulation. The LCSW would be mandated to become the LMSW as well. The interns who choose to do so will be LMSWs in a clinical internship, but in no way was it ever meant to water down or dilute the clinical profession. The clinical social workers, exclusive to LCSWs, are the only individuals who will be able to diagnose and treat mental-health disorders. The LMSWs will do more of the assessments, counseling and referrals.

SENATOR HALSETH:
If you want to change existing qualifications, why not do that in an existing licensure versus creating a new licensure?

MS. FRAKES:
The licensed social worker (LSW) does not delineate the level of education that it requires. It does not express or identify the competency examination the individual has. According to our statutes, the LSW can possess either a bachelor's or master's degree and can take either level of examination. The master's-level individual can also choose to take the bachelor's-level or the master's-level exam. The delineation to address the shortage of licensed mental-health practitioners in the State is a way of educating the public about the level of education and competence. The current language in our statute does not give us the ability to designate the level of a LMSW. The master's-level LSW can take either the bachelor's or master's examination.

SENATOR ROBERSON:
Senator Halseth, Senator Settelmeyer and Senator Parks asked the questions I was concerned with. I am concerned about a new level of licensure and do not think it is necessary. We should not be in the business of creating more licensing and bureaucratic hurdles without a compelling reason to do so. I do not see a compelling reason here.

CHAIR SCHNEIDER:
What is the Committee's choice on this bill?

SENATOR PARKS:
I would like to hold this bill and bring it back for discussion after receiving additional information.

SENATOR SETTELMEYER:
If Ms. Frakes could provide us with a chart or list indicating the current requirements and, in a separate chart or list, discuss the new requirements suggested in this bill, it would help us to understand the differences.

CHAIR SCHNEIDER:
We will hold the bill to allow Ms. Frakes additional time to meet with the Senators to address their concerns and provide the requested information. We will now discuss S.B. 62. In a previous Committee meeting,

Commissioner Brett Barratt testified that the bill was originally requested by ex-Governor Gibbons. The Commissioner testified he was neutral on the bill.

**SENATE BILL 62**: Prohibits the establishment in certain locations of certain schools and facilities relating to insurance. (BDR 57-474)

SENATOR SETTELMEYER:
As a property owner who has strong views on property rights, I cannot approve the concept of telling people what they can and cannot do with their property. I do not support this bill.

SENATOR ROBERSON:
I oppose this bill. The Commissioner of Insurance previously testified he was neutral, bringing this on behalf of the ex-Governor. I did not get the sense that he was supportive of the bill.

SENATOR HALSETH:
I am opposed to this bill.

CHAIR SCHNEIDER:
Is there a motion to indefinitely postpone S.B. 62?

SENATOR PARKS MOVED TO INDEFINITELY POSTPONE S.B. 62.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR SCHNEIDER:
Senate Bill 80 provides licensure to limited-service persons by the Manufactured Housing Division, Department of Business and Industry.

**SENATE BILL 80**: Makes various changes to the provisions governing manufactured housing. (BDR 43-480)

SENATOR SETTELMEYER:
In our discussions, we reasoned that general contractors cannot work on manufactured homes due to the fact they are considered personal property rather than real property, because you can take it and move it. My overall observation of mobile homes in my area, especially pre-1985 mobile homes, is that once they are on the ground, they are never moved. I wonder if we ought to determine if the mobile home is pre-1985, all the rules go away and anyone can fix the home. I am not in support of the bill creating a subclassification that may not be necessary.

CHAIR SCHNEIDER:
The Governor is proposing to move the Manufactured Housing Division into the Housing Division of the Department of Business and Industry. Is there any support for or against this?

MS. LOPEZ:
We support this bill.

JAMES V. DEPROSSE (Administrator, Manufactured Housing Division, Department of Business and Industry):
For clarification about Senator Settelmeyer's point of personal property, in NRS 624, licensed contractors are prohibited from working on personal property. Also in NRS 624.031, working on manufactured housing is outside the scope of their licensure. Consequently, a set of laws applies specifically to the repair and set up of manufactured housing.

The component of this bill that relates to licensed-service persons was brought forth solely to provide more opportunity for people to gain licensure with us. We have within our Division several categories of licensures for repair of manufactured housing. There is a general category to cover general-service persons to allow them to work on all aspects of a manufactured home. Separate from that, we have categories for plumbing, electrical and other specialties. The problem with the general category and the way the license is structured is that it allows a general-service person to perform remodeling, plumbing, roofing and all the other categories. It also includes a component to allow them to set up and move manufactured housing from one location to another. Some of the older models are too old and cannot be moved. In 1976, the laws changed, and anything manufactured for the manufactured-home community since that time

falls under another set of building standards. Most of what was built after then is substantial from a construction standpoint.

The general-service person can perform all repairs, remodeling, roofing, electrical, etc., and that includes installing a new home. Installation procedures are standards developed by the Division that addresses seismic, cross-bracing, blocking and all the processes to ensure the home is set up properly. The intent of the new category was to replicate that in its entirety, minus the component for installation. We have had applicants take the Division's license examination—qualified general contractors that cannot or do not care to pass this component of the examination, thus disqualifying them from general services and licensure.

SENATOR ROBERSON:
The direction of this legislation is troublesome to me. I understand it is probably a benefit to the general public to have licensure for folks to install the mobile home. However, for the mundane problems, I am not sure the government needs to get involved in licensing someone to qualify to fix a mobile home. It appears we are creating a whole new licensure process. I would prefer to see the license reduced in this area and let general contractors, who already have a general contractor's license, repair mobile homes.

SENATOR SETTELMEYER:
What would be the concept of an amendment that simply states licensed general contractors could do A and C, but not B? It should be something that would not require them to obtain another license in addition to the one they already have. In other words, amend the general contractor's license requirement to allow the contractor to work on mobile homes but deny them the responsibility for set up, take down or mobile transport. We are trying to allow more contractors to work rather than creating an unnecessary special category.

MR. DEPROSSE:
Manufactured homes built to the U.S. Department of Housing and Urban Development (HUD) Code, a code separate from the 1997 Uniform Building Code and the International Building Code for general contractors, are different. The loads are different, the walls are different, the structure is different and the systems are different. If an individual licensed in heating, ventilation and air conditioning with the State Contractors' Board also wants to obtain the Division's license, that person would take our exam. The qualifications would be

his license with the State Contractors' Board and successful completion of our exam addressing the different nuances on a manufactured home.

SENATOR SETTELMEYER:
Is it true that if someone takes the tires off a mobile home, pours concrete and secures it to the ground, a regular contractor may now work on it? Does this change the classification of the property? Does the individual still require a special license for manufactured housing?

MR. DEPROSSE:
No. It is still a manufactured home, and it would be outside the scope of NRS 624.031 which prohibits a contractor from working on a manufactured home. It would be real property, because it would now be fastened to the ground. But it would still be a manufactured home.

SENATOR SETTELMEYER:
Is there a difference in the quality of workmanship between the contractors?

MR. DEPROSSE:
I am not questioning whether there is a difference in the quality of work. The reason the HUD code is there is that manufactured homes are built to different standards. Our category of licensure is in the specialty category specific to contractors' licensing in plumbing, electrical or others. Would they be capable of making those repairs? Most likely they would. All our licensees are also licensed with the State Contractors' Board.

SENATOR SETTELMEYER:
Is it common in other states to have these two different licenses?

MR. DEPROSSE:
It is common in many states.

SENATOR HALSETH:
I want to echo Senator Roberson and Senator Settelmeyer. I do know something about manufactured homes, having family who build many of these homes. I also have family members who are contractors as well. Our neighbor state, Oregon, does not require the two separate licensures. We should follow their model to allow more contractors to have more jobs. If you had to have a water heater replaced, you would be able to go to anyone who is licensed to

do this work. I am concerned that we are creating more terms and licensing. We should consider our neighboring states' requirements.

SENATOR ROBERSON:
I agree with Senator Settelmeyer's idea. I am inclined to support an amendment to this bill before passing this piece of legislation.

CHAIR SCHNEIDER:
I will hold this bill. Senator Settelmeyer will work on an amendment with the Manufactured Housing Division.

SENATOR PARKS:
I have numerous manufactured houses in my district, and I would also like to work on this legislation.

CHAIR SCHNEIDER:
We will close the hearing on S.B. 80 and open discussion for S.B. 136. Commissioner George Burns, Division of Financial Institutions, Department of Business and Industry, testified previously he was neutral on the bill but recommended passage of the measure in consideration of shortening the time a bank can hold Other Real Estate Owned (OREO). His request is to reduce the current ten years to a period substantially less to preserve some of the fundamental regulatory principles of preventing long-term real estate holding, stop speculating on potential value and realizing diminished liquidity. These undermine the fundamental safety and soundness of a depository institution.

**SENATE BILL 136**: Revises provisions governing certain real property held by banks. (BDR 55-737)

In response to a request for a recommendation, Commissioner Burns provided the Committee his suggested amendment (Exhibit E). Based on communications between Commissioner Burns and William Uffelman, an agreement is provided Exhibit E.

GEORGE E. BURNS (Commissioner, Division of Financial Institutions, Department of Business and Industry):
I want to achieve a balance between depository institutions' desire to hold OREO in a declining market until the values return and reduce their amount of loss over time, and fundamental safety and soundness principles. If the OREO

contribute to negative earnings and diminishing liquidity to meet the demands of their depositors and other unsafe and unsound conditions, we hope to limit those conditions. There are other means and methods to do this. The original bill was drafted to have a no charge-off provision and to allow ten years to hold property. This is undue speculation. It would form a statutory basis for institutions to argue with their regulators about why they would not dispose of OREO in a safe, sound and timely manner.

In our discussions, we are trying to find the middle ground to accomplish both objectives. We propose to eliminate the 10 percent-per-year charge-off provision and reduce the holding period to one that is commensurate with what is used for national banks—a five-year holding period. After five years, if good-faith efforts on the part of institutions to dispose of it fail or for them to be able to show there is undue harm, it could be approved for an additional five years. This is a flexible, workable way to achieve both objectives of regulation and industry needs.

SENATOR SETTELMEYER:
Have you had the opportunity to talk to the sponsor of the bill about these matters and the proposed amendment?

COMMISSIONER BURNS:
No, I have not.

JOHN SANDE, IV (Nevada Bankers Association):
I realize the Committee is not inclined to pass legislation without good reason. As for the banking industry and the national banks, our reason for this bill is to put us on an equal playing field with the federally chartered banks. Presently, the charge-off rate for state-chartered banks, usually the smaller community banks, is different from what is at the national level. What happens with the 10 percent charge-off per year is that it creates more administrative work for state banks to track. The appraised value is in accordance with generally accepted accounting principles and the 10 percent charge-off is in accordance with state law.

The primary purpose of our interest in this bill is to put us on the same level with the national banks. We are comfortable with the first amendment proposed. Banks do not want to be holding OREO. They want to get them off their books because it allows more liquidity and flexibility to do the business of

banking, not the business of real estate. We would be amenable to the amendment Commissioner Burns has proposed. However, we have not had discussions with the sponsor of the bill. We are interested in passing the portion that would put us on a level playing field with federally chartered banks.

CHAIR SCHNEIDER:
Senator Settelmeyer, I know Senator Rhoads put in this bill by request from ex-Senator Raggio.

SENATOR SETTELMEYER:
You are correct. I would make a motion to pass the bill as is and deal with the amendment later on the Senate Floor, if Senator Rhoads is all right with that.

SENATOR SETTELMEYER MOVED TO DO PASS S.B. 136.

SENATOR ROBERSON SECONDED THE MOTION.

CHAIR SCHNEIDER:
Mr. Sande, would you be able to contact Senator Rhoads?

SENATOR SETTELMEYER:
Perhaps Mr. Sande could contact ex-Senator Raggio, the original writer of the bill, to inquire his opinion on the amendments. Credit unions do not have the ability to write off their debts over a ten-year period and have to absolve them immediately. The amendment makes sense by shrinking the time to five years.

SENATOR ROBERSON:
I support the original bill. It is a pro-Nevada bill. I disagree with Commissioner Burns on the merits of this bill. At this point, I do not want to support an amendment unless I hear from ex-Senator Raggio and some of the other folks.

CHAIR SCHNEIDER:
We will hold S.B. 136 until next week when we can assure the Committee members that it is right with the sponsors.

SENATOR SETTELMEYER:
I withdraw my motion.

SENATOR ROBERSON:
I withdraw my second.

CHAIR SCHNEIDER:
We will now discuss S.B. 143. This bill removes the requirement for a resident producer of insurance to maintain a place of business in the State accessible to the public; it requires a certificate of insurance to include a description of the principle benefits and coverage under the policy as well as a statement of the principle exclusions, reductions and limitations; it requires the certificate to contain a statement that the terms are informational only and do not constitute part of the contract or policy of insurance; and it exempts commercial and fleet vehicles from verification of insurance coverage by the Department of Motor Vehicles (DMV).

**SENATE BILL 143**: Revises certain provisions governing insurance. (BDR 57-723)

There are two proposed amendments. One is offered by Jesse Wadhams, Nevada Independent Insurance Agents (Exhibit F), and the other is offered by Fred Hillerby, American Council of Life Insurers. Both proposed amendments could be adopted since they are not inconsistent.

On March 3, 2011, Rhonda Bavaro, Administrator, DMV, sent a letter via e-mail to the Committee revising the original fiscal note which was based on the bill as introduced Exhibit F. The letter indicates a potential loss of $3.1 million instead of the $3.24 million.

As a note, yesterday in the Senate Committee on Revenue, it was discovered there was a $106 million hole in the proposed budget. I want to indicate that if we take action on this and approve the bill with the fiscal note, it will be referred to the Senate Committee on Finance with the proposed amendments.

JESSE WADHAMS (Nevada Independent Insurance Agents):
You are correct. As written, this bill hurts the budget situation which is already impaired. We are working with the DMV and will be setting up another meeting to discuss something that will work for both the industry and their verification needs. We are going forward.

SENATOR SETTELMEYER:
Considering the fiscal note from the DMV, I am not sure it addresses the fact that Nevada has made the concept of fleet registration very cumbersome. I know of some businesses that have decided not to register their fleet in Nevada. Is there anyone who could address that concept?

MR. WADHAMS:
I cannot speak to the specifics, but I can certainly say, anecdotally, I have heard the same.

CHAIR SCHNEIDER:
We will close the hearing on S.B. 143. There being no further business, the meeting of the Senate Committee on Commerce, Labor and Energy is adjourned at 12:03 p.m.

RESPECTFULLY SUBMITTED:

_____
Vicki Folster,
Committee Secretary

APPROVED BY:

_____
Senator Michael A. Schneider, Chair

DATE: _____

| **EXHIBITS** | | | |
|---|---|---|---|
| **Bill** | **Exhibit** | **Witness / Agency** | **Description** |
| | A | | Agenda |
| | B | | Attendance Roster |
| S.B. 60 | C | | Work Session Documents |
| S.B. 61 | D | | Work Session Document |
| S.B. 136 | E | | Work Session Documents |
| S.B. 143 | F | | Work Session Documents |