

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

**Seventy-sixth Session
April 14, 2011**

The Senate Committee on Commerce, Labor and Energy was called to order by Chair Michael A. Schneider at 7:49 a.m. on Thursday, April 14, 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 Allison Copening
Senator James A. Settelmeyer
Senator Elizabeth Halseth
Senator Michael Roberson

GUEST LEGISLATORS PRESENT:

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

STAFF MEMBERS PRESENT:

Scott Young, Policy Analyst
Matt Nichols, Counsel
Linda Hiller, Committee Secretary

OTHERS PRESENT:

John Griffin, The Capitol Company
Stacey Crowley, Director, Office of Energy, Office of the Governor
Rebecca D. Wagner, Commissioner, Public Utilities Commission of Nevada

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 2

Dan Jacobsen, Bureau of Consumer Protection (Consumer's Advocate), Office
of the Attorney General
John Owens, NV Energy
Rose McKinney-James, The Solar Alliance; Bombard Renewable Energy;
Amonix, Inc.
Evan Beavers, Nevada Attorney for Injured Workers, Office of the Nevada
Attorney for Injured Workers, Department of Business and Industry
Samuel McMullen, Nevada Self-Insurers Association
Bob Ostrovsky, Employers Insurance
Barbara Gruenewald, Nevada Justice Association
Patrick Sanderson, Laborers International Union Local No. 872/AFL-CIO
Bob Tregilus, Feed-in Tariffs for Nevada
Ted Ko, Clean Coalition
Judy Stokey, NV Energy
Keith Lee, Board of Medical Examiners; State Contractors' Board
William Uffelman, Nevada Bankers Association

CHAIR SCHNEIDER:

This is a work session today, Committee. I want to open the hearing on our first
bill, Senate Bill (S.B.) 267, with a work session document ([Exhibit C](#)).

SENATE BILL 267: Revises provisions governing personal information.
(BDR 52-110)

SENATOR VALERIE WIENER (Clark County Senatorial District No. 3):

We had a substantial meeting on this bill. Page 2 of proposed amendment 6059,
[Exhibit C](#), addresses the concerns of our group.

SENATOR SETTELMAYER:

When we heard this bill in Committee, there was discussion regarding the
inclusion of cellular phones and other similar devices.

SENATOR WIENER:

This does not pertain to those devices.

SENATOR SETTELMAYER:

If I have a copier and sell it, does it apply to me? To whom will this bill apply?

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 3

SENATOR WIENER:

The bill and amendment apply to data collectors as defined in statute. The primary intention is to target businesses and government entities that collect data involving other people. I often give my copy machines away to nonprofits, and I would not be captured in that through this legislation.

CHAIR SCHNEIDER:

I think this is a very good bill. I was shocked to see all the data a business copier could hold.

SENATOR HALSETH:

We do have small independent contractors who operate out of their homes. Would this apply to them?

SENATOR WIENER:

If they are gathering data and information about clients, we would want to protect the client. It is already in statute that small businesses are required to protect the information they gather.

CHAIR SCHNEIDER:

I am closing the work session hearing on S.B. 267.

SENATOR COPENING MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 267.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR ROBERSON WAS ABSENT FOR THE VOTE.)

CHAIR SCHNEIDER:

I will open the work session hearing on S.B. 99 with a work session document ([Exhibit D](#)).

SENATE BILL 99: Makes various changes concerning consumer protection.
(BDR 52-127)

SENATOR JOSEPH (JOE) P. HARDY (Clark County Senatorial District No. 12):
We worked with many people on this bill and the proposed amendment 6141, [Exhibit D](#). We worked with Keith Munro, First Assistant Attorney General and Legislative Liaison from the Office of the Attorney General and Terry Johnson, Director, Department of Business and Industry (DBI), on this bill. We amended the bill so it defines grant writing and exempts people doing similar work with affordable housing and development. The changes allow for the registration of grant writers without a fiscal note. Deceptive trade practices are also addressed. This legislation would give great pause to telemarketers who have swindled people with schemes involving grant writing.

SENATOR SETTELMAYER:

Why are the grant writers for affordable housing and community development projects being exempted?

SENATOR HARDY:

The grant writers for affordable housing and community development projects are already well-regulated. The aim of this bill is to get at the schemers and scammers. Telemarketers are not involved with these kinds of projects.

SENATOR SETTELMAYER:

Will this bill be able to reach far enough to get at these schemers and scammers? Many of them are operating via the Internet from other states. Can we reach them with this bill?

SENATOR HARDY:

Realistically, there will always be people trying to get around the laws, but in the words of our legal counsel, "This will give them pause." We will probably not stop everyone, but this will give us tools to go after the bulk of the scammers.

SENATOR SETTELMAYER:

I am still concerned that we are not getting all the people we intended, the companies that send e-mails and try to write grants via the Internet. I am concerned we are only going to affect Nevada companies.

SENATOR HARDY:

With this registration, people who are approached by a grant writer can go to the DBI Website to see if that person is registered.

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 5

CHAIR SCHNEIDER:
I will close the work session hearing on S.B. 99.

SENATOR COPENING MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 99.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HALSETH AND SETTELMAYER
VOTED NO.)

* * * * *

CHAIR SCHNEIDER:
If Senator Copenig is ready, we can open the work session hearing on
S.B. 291 with a work session document ([Exhibit E](#)).

SENATE BILL 291: Revises provisions governing operators of tanning
establishments. (BDR 52-957)

SENATOR COPENING:
We did get together with the Indoor Tanning Association (ITA) and came to an
agreement on a conceptual amendment, [Exhibit E](#). To avoid underage children
from just bringing in a forged permission slip, the amendment now requires that
a parent must come into the tanning establishment with the underage child.
Gary Milliken of ITA said his group is happy with the amendment.

CHAIR SCHNEIDER:
Does the industry support this?

SENATOR COPENING:
Yes, they do.

CHAIR SCHNEIDER:
I will close the work session hearing on S.B. 291.

SENATOR BREEDEN MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 291.

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 6

SENATOR PARKS SECONDED THE MOTION.

SENATOR SETTELMAYER:

I have seen this bill in the Assembly now for two sessions. I think it is an unreasonable burden to businesses.

THE MOTION CARRIED. (SENATORS HALSETH, ROBERSON AND SETTELMAYER VOTED NO.)

CHAIR SCHNEIDER:

I will open the work session hearing on S.B. 290 with a work session document ([Exhibit F](#)).

SENATE BILL 290: Revises provisions governing deceptive trade practices.
(BDR 52-993)

SENATOR COPENING:

We did have two proposed amendments to this bill, one from Chris MacKenzie, [Exhibit F](#). I worked with AT&T on their concerns, and we put together a revised conceptual amendment, [Exhibit F](#), which addresses the first amendment as well.

SENATOR SETTELMAYER:

Does this still apply to accounts like Apple's iTunes, cellular telephone accounts, Google accounts, satellite TV accounts, etc.?

SENATOR COPENING:

If the account is already from an industry that is highly regulated by agencies, such as the Public Utilities Commission of Nevada (PUCN) or the Division of Insurance, DBI, it would be exempt. This bill would apply to groups like DIRECTV and DISH TV, and cellular telephone companies. It was only through expensive class actions that these companies were forced not to utilize automatic rollover contracts.

SENATOR SETTELMAYER:

I do understand the concept of this bill. I also believe it is the duty of individuals to read their contracts. I will not be supporting this bill.

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 7

SENATOR BREEDEN:

I have personally experienced this automatic rollover billing, and it took months to get the company to stop charging me. I support it.

CHAIR SCHNEIDER:

I will close the work session hearing on S.B. 290.

SENATOR BREEDEN MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 290.

SENATOR COPENING SECONDED THE MOTION.

SENATOR COPENING:

I did want to address the reason several national satellite TV companies had the multi-state class actions against them. One of their deceptive practices was to put a customer's contract in with some ads in a mailer. Consumers would erroneously assume the mailing was advertising only, and their contracts would be inadvertently discarded. It is not always the consumers failing to read their contract; they are being duped.

THE MOTION FAILED. (SENATORS HALSETH, PARKS, ROBERSON AND
SETTELMAYER VOTED NO.)

CHAIR SCHNEIDER:

I will open the work session hearing on S.B. 266 with a work session document ([Exhibit G](#)).

SENATE BILL 266: Revises provisions governing the possession of pets by tenants of a manufactured home park. (BDR 10-960)

SENATOR MARK A. MANENDO (Clark County Senatorial District No. 7):

We have a conceptual amendment to this bill, [Exhibit G](#). We are happy with it.

SENATOR BREEDEN:

There is a reference to tenants in here. Can a mobile home park deny a tenant the right to have a pet?

SENATOR MANENDO:

Requiring a tenant to pay a pet deposit as a prerequisite is not allowed. If you are a homeowner, you should not have to pay a deposit to have a pet in your own home.

CHAIR SCHNEIDER:

What is meant by vicious breeds? I have seen some small dogs that look pretty vicious. Legal counsel has suggested changing the wording from "vicious breeds" to "dangerous animal."

JOHN GRIFFIN (The Capitol Company):

The intent of the amendment is to address a dog that poses a danger to others.

MATT NICHOLS (Counsel):

"We have used the term 'vicious or dangerous animal' several times in existing statute, so it would be consistent to use that term in this statute if it was the Committee's pleasure."

SENATOR SETTELMAYER:

If we change the words "vicious breeds" to "vicious animals," would that solve the problem?

MR. NICHOLS:

"The term we have used before is 'vicious or dangerous animal,' so this would include both terms. I do not know if I can give you a distinction between a vicious animal and a dangerous one."

SENATOR SETTELMAYER:

If we change "breeds of pets" in the amendment to "vicious or dangerous animals," would that be acceptable to the sponsor?

SENATOR MANENDO:

Yes, I think there is language in *Nevada Revised Statute* (NRS) 118B.140 and other statutes that will bring it all together. It would maintain our intent with the bill and the amendment.

CHAIR SCHNEIDER:

I will close the work session hearing on S.B. 266.

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 9

SENATOR SETTELMAYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 266.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR SCHNEIDER:

I will open a work session hearing on S.B. 59 with a work session document ([Exhibit H](#)).

SENATE BILL 59: Increases the cumulative capacity of net metering systems operating within the service area of an electric utility. (BDR 58-408)

SENATOR SETTELMAYER:

We discussed this bill yesterday, and I wanted to hold it because NV Energy asked to bring in an amendment specifying that the incentive does not apply to the additional 1 percent. I did talk to them and understand that this bill is only about net metering. I believe in the concept of net metering and the ability of the meter to go forward and reverse at a 1:1 ratio. Although I do not think NV Energy ever issues anyone a check, that ability to do so should exist. Therefore, I do not accept that portion of their amendment.

I would like to see the Governor's amendment, [Exhibit H](#), used, allowing the 2 percent cap on all utilities in the State, getting rid of the trigger so it does not create a fiscal note, and deleting the rest of their proposal. I realize we are asking ratepayers to shoulder a bit of the cost, but it is a reasonable cost. I am in favor of NV Energy having to accept the concept of the incentive within the net metering proposal.

STACY CROWLEY (Director, Office of Energy, Office of the Governor):

We accept the adjustments to the amendment made by Senator Settelmeyer.

SENATOR PARKS:

What is the specific impact on the ratepayer?

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 10

SENATOR SETTELMAYER:

I contacted the PUCN to ask about this. Their estimation was that the additional 1 percent would cost the ratepayers approximately 5 cents per month each, which would amount to \$5 million to \$10 million. Even though it would impact the ratepayer, I felt it was reasonable to help the industry of renewable energy. This bill only deals with net metering.

REBECCA D. WAGNER (Commissioner, Public Utilities Commission of Nevada):

The subsidy is presently approximately \$8 million which translates to approximately 5 cents per month on the average ratepayer's bill. Doubling that is not necessarily a linear jump, but even if it jumped to 10 cents, it would amount to approximately \$1.20 per year per average residential ratepayer.

CHAIR SCHNEIDER:

I will close the work session hearing on S.B. 59.

SENATOR SETTELMAYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 59.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR SCHNEIDER:

I will open the work session hearing on S.B. 313 as outlined in our work session document ([Exhibit I](#)). This would direct our Office of Energy, Office of the Governor, to adopt appliance standards mirroring California. It would prevent appliance companies from dumping less-energy-efficient appliances in Nevada. This goes on in other states where the state with the less stringent standards gets the less efficient products.

SENATE BILL 313: Revises certain provisions relating to energy. (BDR 58-236)

SENATOR SETTELMAYER:

I did some research on this, and the data from California deals with the energy efficiency that was gained by changing building codes and appliance standards.

I understand California can set the market because of the size of their population. I do not think Nevada is big enough to do that.

CHAIR SCHNEIDER:

This is why we want to mirror California so when other states, California included, upgrade their standards, we do not get all the less efficient merchandise dumped on us. The way it works is our Office of Energy holds a hearing and uses California's standards. Is that correct?

MS. CROWLEY:

Yes, the idea is that we review some other state's standards, including California and Colorado, to see if they are relevant to our State.

DAN JACOBSEN (Bureau of Consumer Protection [Consumer's Advocate], Office of the Attorney General):

We would like to focus on section 4 in the bill, starting on page 6, going to page 7. Under statute right now, when the utility runs an efficiency program, they get compensated for the costs, such as when the utility subsidizes more efficient lightbulbs. Ratepayers pay them back for that amount, and they also pay the company back for the time value of money if the money is not immediately collected. Under S.B. No. 358 of the 75th Session, the ratepayer also pays the company back for sales they lose as a result of efficiency. This bill would take one step further and direct that in addition to paying the utility back for program costs and lost sales, the utility would also earn a certain level of profit on efficiency programs. The PUCN can or may provide financial incentives, but this bill would strike that language. At the top of page 7, the bill proposes language to force the PUCN to put a profit level on top of all the other cost-recovery payments. We think this is premature to burden efficiency programs with a profit margin for the utility in addition to recovering all their costs. For the consumer, leave section 4 the way it exists.

CHAIR SCHNEIDER:

All the incentives that would save consumers money would get recaptured by the utility company. So over a period of years, the company could make \$100 million per year and not produce any energy.

MR. JACOBSEN:

It is odd trying to explain to consumers why they have to pay for kilowatts they did not use because of efficiency. This bill would require an additional payment to the utility for profits. This is why we do not support section 4 of this bill.

MS. WAGNER:

Mr. Jacobsen is correct. The utility companies are now reimbursed for the costs of incentive programs and the lost sales as a result of those programs. Our concern in section 4 is about the need to put this into statute when it is already in statute. The other part of the bill we are concerned about is at the top of page 5, lines 1-3. As the implementer of these programs, we do not know what "achievable net benefits" are. I wonder if there is a consensus about what that means.

SENATOR PARKS:

What is the PUCN's process for making payments as the statute stands now?

MS. WAGNER:

In the past, the utility did not have a motive to encourage energy efficiency because in doing so, they would lose money. Now, they are getting paid back for what they spend on the ratepayers' behalf, and they are being compensated for their losses from the increased energy efficiency. The original language in statute we agreed to specifies we can give them additional incentives, but they have to ask for it and justify it. This bill proposes we give them those incentives without any due consideration of whether or not the incentive is a benefit, or in the public good.

CHAIR SCHNEIDER:

Would the bill be acceptable if we deleted sections 2 and 4, did not consider the amendments and just went with the appliance standard?

MR. JACOBSEN:

From our standpoint, yes.

MS. WAGNER:

We are not taking an official position on the bill, but we would be fine with those changes.

JOHN OWENS (NV Energy):

We also have two proposed amendments, [Exhibit I](#). The first amendment inserts a provision that stipulates if we have accumulated surplus portfolio energy credits in our demand side management (DSM) program in one calendar year, we can use those to make up shortfalls from complying with the State renewable portfolio standard (RPS) law. We do contract with the industry to meet our requirements. The contracts are approved by the PUCN and go through an implementation process. A significant number of these contracts do not complete, or complete at a lower rate, thus not producing the amount of energy for which we had contracted. We can then be short in meeting the RPS requirements. This amendment specifies we would not have to carry a shortfall forward, but could instead utilize the surplus renewable energy credits from our DSM program.

The second amendment changes what we can bank in energy efficiency credits counting against meeting the RPS requirements. Today we are limited to half from residential and half from commercial customers. The amendment changes the ratio to 75 percent from commercial and 25 percent from residential. Today we spend approximately two-thirds on residential programs and one-third on commercial programs. The commercial programs are very cost-effective and even though they are only one-third of the budget, they produce about half of the savings.

ROSE MCKINNEY-JAMES (The Solar Alliance; Bombard Renewable Energy; Amonix, Inc.):

A provision of section 5 of NV Energy's amendment deals with the current RPS statute allowing them to comply by using 25 percent through energy efficiency. My concern is this would dilute the compliance, allowing renewable energy providing for the balance of their compliance. I talked to Mr. Owens, and he had a reasonable explanation for that request, but the parameters around when and how they use this mechanism needs to be tightly regulated. As they negotiate contracts and move forward with efforts to secure and procure renewable energy, we want to know they do so cautiously, especially if they determine contracts are underperforming or not performing.

MS. WAGNER:

I have not had a chance to discuss this with NV Energy. I do have one observation. Where NV Energy is proposing the ratio change from

50 percent residential to 25 percent, they can already do this. They have not asked us for the change, but they could.

The impact on the RPS is a public policy decision. We traditionally use energy efficiency as a component of meeting the RPS, because it is generally cheaper than the renewable-energy contracts. With the advent of the lost revenue recovery mechanism, RPS credits resulting from energy efficiency are not as cheap as they used to be.

Last Session, you allowed deficits to carry forward. We always allowed NV Energy to carry forward its banked RPS energy credits for future compliance. Last Session, to make it fair, proponents wanted a deficit to be carried forward to be met the following year. To me this flies in the face of that decision. Do you want to support more energy efficiency or more renewables?

MR. JACOBSEN:

I agree. People frequently say the cheapest watt is the one that is not provided. That is not necessarily the case if you have to pay the company for the capacity they have, for the sales they lost and for a program to encourage customers to be efficient. I think this is a very complex situation, and we do not know the impact of making changes to the RPS. You might want to study it a bit more before making changes in statute.

CHAIR SCHNEIDER:

I would propose we delete sections 2 and 4 of S.B. 313 and not consider any of the amendments. This leaves us with the appliance standards only, which Ms. Crowley said she could live with.

MS. CROWLEY:

We are neutral on this bill, but there is fiscal impact to our office. We did a study that estimated it would take 25 percent of one of our employee's time to develop the language, hold the hearings and do the research on setting up the changes.

SENATOR SETTELMAYER:

The PUCN gave a fiscal note of \$31,000 and the Governor's Office gave a note of \$125,000.

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 15

MS. CROWLEY:

I did testify that \$125,000 was too high an estimate, but I had not done the research on what other states were doing. In any case, this would take work from us, and at this time we are at capacity.

CHAIR SCHNEIDER:

I will close the work session hearing on S.B. 313.

SENATOR PARKS MOVED TO AMEND AND DO PASS AS
AMENDED S.B. 313.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HALSETH, ROBERSON AND
SETTELMAYER VOTED NO.)

CHAIR SCHNEIDER:

I will open the work session hearing on S.B. 281 with a work session document
([Exhibit J](#)).

SENATE BILL 281: Requires the Public Utilities Commission of Nevada to
establish the Electric Vehicle Demonstration Program. (BDR 58-1019)

CHAIR SCHNEIDER:

This bill is to establish an energy efficient program for electric vehicles.
Senator Settelmeyer proposed we cap the rebates on vehicles over \$50,000.

SENATOR SETTELMAYER:

I think someone who can afford a car costing more than \$50,000 should not
receive a subsidy. What is the federal government offering a customer for
buying an electric car?

CHAIR SCHNEIDER:

It is a tax credit, not a rebate, and it starts at \$2,500 and can go as high as
\$7,500, depending on the vehicle's battery capacity. California offers a rebate
of \$5,000 in addition to the federal tax credit to get their residents to buy
electric cars. This would help our local dealerships.

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 16

The other part of the bill is to establish charging stations for these cars and not have them under PUCN jurisdiction. This way, private companies could build charging stations without PUCN regulations. I will close the work session hearing on S.B. 281.

SENATOR COPENING MOVED TO DO PASS S.B. 281.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HALSETH, ROBERSON AND SETTELMAYER VOTED NO.)

* * * * *

CHAIR SCHNEIDER:

I will open the work session hearing on S.B. 21 as outlined in the work session document ([Exhibit K](#)). This is a workers' comp bill.

SENATE BILL 21: Revises the requirements for reopening a claim of compensation for a permanent partial disability. (BDR 53-479)

EVAN BEAVERS (Nevada Attorney for Injured Workers, Office of the Nevada Attorney for Injured Workers, Department of Business and Industry):
This bill is the result of a bill draft request I initiated. It has gone through some changes, but I understand it is now consistent with my original proposal. When I first proposed it, I was just tuning up some language in statute. I have since learned there is not a single syllable in NRS chapter 616 that does not have somebody's blood on it.

Under the existing statute, if an injured worker seeks an evaluation for a permanent partial disability (PPD) injury, he or she has to prove three things. The first is that he or she had not received an evaluation. The second thing the worker has to prove is that he or she was entitled to the evaluation. The third requirement is that the worker go to the Division of Industrial Relations (DIR), DBI, and prove there was some fault on behalf of the claims adjustor for the insurer, which resulted in the injured worker not getting their PPD evaluation. This was the section I intended to strike through S.B. 21.

I am sensitive to the arguments of the insurers and the self-insurers that this might open a floodgate, but when this language was originally put in statute, it shut the door on injured workers. If an injured worker does not get a PPD evaluation when they are entitled to it, they should be able to argue for one without having to prove bad acts on the part of the insurer. This is too onerous on claimants.

CHAIR SCHNEIDER:

We have been working with the creators of one of the amendments, and Mr. McMullen wanted to address us this morning to withdraw his proposed amendment.

SAMUEL MCMULLEN (Nevada Self-Insurers Association):

We agree, based on some discussions we have had with people in both houses.

BOB OSTROVSKY (Employers Insurance):

It is my understanding that S.B. 21 would address your concerns, Mr. Chair, about catastrophic injuries. This includes the injured worker's vocational rehabilitation, on which we have been working for four years. From our proposed amendment 5991, [Exhibit K](#), we are now deleting everything but sections 1-6; section 17, which covers catastrophic injuries; section 18, which addresses claims adjuster qualifications and section 19, which covers vocational rehabilitation. This would now satisfy the work we have done with you, Mr. Chair, and with DIR on how to manage catastrophic injuries. This was not in statute.

SENATOR COPENING:

Is amendment 5991 in the workbook the one we are considering?

MR. OSTROVSKY:

Yes, that is the amendment, and we are deleting everything but sections 1-6, 17, 18 and 19.

BARBARA GRUENEWALD (Nevada Justice Association):

It is my understanding that the parties have agreed to everything but section 19 because it changes the qualifications of a vocational rehabilitation counselor (VRC) who works with an injured worker.

MR. MCMULLEN:

What we discussed yesterday was that the clarified VRC definition would be added. This discussion was via e-mail with leadership. In the past, VRC was upgraded to require either a master's degree or a certification at a certain level, also requiring a master's degree. This limits the availability of VRCs available to work with injured workers. There is also a certified disability management specialist who also requires a college degree and appropriate experience. The hope was to make all qualified people available to work with patients while not reducing the level of care and expertise. It would enlarge the available pool of qualified counselors to work with injured workers.

MS. GRUENEWALD:

I am not completely certain about this section 19 but am willing to let it go through this Committee, and we can fix it on the other side, if necessary.

MR. OSTROVSKY:

I do pledge to work with Ms. Gruenewald and all parties to make this satisfactory to everyone.

PATRICK SANDERSON (Laborers International Union Local No. 872/AFL-CIO):
Did this delete the intent of the original bill?

CHAIR SCHNEIDER:

It does change things a lot.

MR. SANDERSON:

Evan Beavers, the Nevada Attorney for Injured Workers (NAIW), Office of the Nevada Attorney for Injured Workers, DBI, went to the Governor with the original bill, S.B. 21, and he was all for it. The original bill would help the workers in Nevada, especially the first section. I ask that you keep that part of the bill in and go ahead and add the rest of the changes. If you do not keep in this section, it is a disservice to the working people of this State. This was approved by the workers, the NAIW and the Governor.

MR. OSTROVSKY:

We are opposed to that and believe it would open the floodgates to additional costs for employers. Part of this arrangement was that S.B. 21 would be deleted. That was the agreement we made with all parties. Clearly there are those who disagree.

MR. BEAVERS:

I was not invited to the party that made all these amendment changes, but I have read part of them. I have no objection to the portions of Mr. McMullen's proposed amendment pertaining to catastrophic injuries. Despite Mr. Ostrovsky's concerns about opening the floodgates, there is still a need to make the original change I intended when I first proposed this bill.

MR. SANDERSON:

I ask you to take a look at this and leave in the original intent so injured workers in Nevada can get treatment and get well.

CHAIR SCHNEIDER:

We are going to try to produce a clean amendment for the Committee to review. I will close the work session hearing on S.B. 21 now and open the work session hearing on S.B. 184 with a work session document ([Exhibit L](#)).

SENATE BILL 184: Requires the Public Utilities Commission of Nevada to establish the Renewable Energy Systems Development Program. (BDR 58-229)

CHAIR SCHNEIDER:

The concept behind this bill is to explore whether a feed-in tariff (FIT) system has a place in the State's toolbox to foster renewable-energy development and create new jobs. This is a complex issue, and there is clearly a gap in our existing programs in the 100-kilowatt to 3-megawatt range. This bill is designed to let the PUCN hold hearings where all parties can explore the FIT concept and determine if it is needed in Nevada. The PUCN could then determine the design of the FIT program and bring it to the Legislature in the form of a set of regulations. We are going to consider the proposed amendment by Feed-in Tariffs for Nevada (FIT4NV) and the Clean Coalition.

BOB TREGILUS (Feed-in Tariffs for Nevada):

I represent FIT4NV. We have a body of experts on FITs, and we consulted with them in creating our proposed amendment, [Exhibit L](#).

TED KO (Clean Coalition):

The Clean Coalition is a national, nonprofit organization dedicated to helping design and implement policies for local clean energy. The amendment we have proposed, [Exhibit L](#), aims to provide more flexibility to the PUCN in their design

process. We also wanted to allow the decision at the legislative level to be simpler and more similar to other ongoing proposals about net metering.

This bill, S.B. 184, specifically addresses a separate market from net metering. The two programs, FIT and net metering, are not competitive with each other. In other jurisdictions, they coexist quite well. This bill focuses on the wholesale local electricity market, not the net metering retail market. If you support a FIT program and a net metering program, you can structure them in a similar manner to make an apples-to-apples comparison of the two programs within only a couple of years to determine which program and market produces more jobs, more clean energy and more economic development for the State.

The amendment boils down the decision from the legislative viewpoint to answer the question of how much it will cost and how much energy it will produce. The decision comes down to whether or not you want to invest 40 cents to 50 cents on an average residential household bill to gain the economic development benefits of hundreds of millions of dollars in private investments, several thousand new jobs and sending a market signal to the country that Nevada is a place to do business for clean energy.

Regarding capacity and how much energy this program could produce, under the cost cap, you could expect approximately 100 megawatts of new energy by the year 2020. In RPS terms, if it were all solar, you would satisfy 25 percent of what NV Energy will be required to procure by 2025. There are organizations around the country that want to do business in Nevada. One solar company in Maryland is looking to expand and has said specifically that they only want to do business in states with a well-structured FIT program. That company was specifically looking at Nevada as the location for their next office.

CHAIR SCHNEIDER:

If we pass this bill, it will go on to the PUCN, and they could hold public hearings to research developing a FIT program. This could create jobs and investment coming to Nevada. After the PUCN worked out a program they wanted to implement, it would then have to come back to the Legislature for approval.

SENATOR PARKS:

What is the downside to the ratepayer? If we act on this today, are we directing the establishment of a program for later implantation?

CHAIR SCHNEIDER:

We are directing the PUCN to do the study and make their recommendations about how to implement a FIT system that works here.

JUDY STOKEY (NV Energy):

We have looked into the FIT program and think it is potentially one of the most expensive. We just saw the amendment taking the 600-megawatt proposal down to 100 megawatts, so that significantly lowers the price.

MR. OWENS:

We have analyzed this proposal under the example pricing at the 600-megawatt level. The cost premium is a complicated thing to calculate. At 100 megawatts, I would estimate that over the term, the cost of the program would be approximately \$250 million. That amount is calculated if the FIT is in addition to the RPS. The premium would be about half the \$250 million figure if it is intended to be part of the RPS guidelines. Beyond cost, if this is a carve-out for a specific program, it would displace other renewable options that may be less expensive or more cost-effective for consumers. Even at this scale, there would likely be a reduction in geothermal or wind energy procurement on our part if we were mandated to do a solar FIT program at this scale.

MR. TREGILUS:

When we testified on a previous bill in the Assembly, I submitted a letter from a planning resource engineer in Gainesville, Florida ([Exhibit M](#)), which indicated that net metering programs are always more expensive than the feed-in tariffs they have implemented. This bill proposal is a multi-technology plan, not just solar energy. The 600 megawatts being referenced was from an economic assessment based on Los Angeles Business Council work at the University of California, Los Angeles Luskin Center for Innovation. Since the UCLA calculator was designed for solar energy, that is what I used for the report. So for the 600-megawatt program, in the 5th year of the program, we were looking at about a 64 cents impact on ratepayers. Six hundred megawatts is huge compared to what is being proposed now, so the more realistic impact would be maybe half of that, but certainly less.

MR. KO:

The proposed amendment was designed to address costs and to assure this Committee that the cost would not exceed the 0.5 percent of retail sales. Giving the PUCN the flexibility to design the program to fit under that cap is the

other key part of this proposal. This program represents a choice in local clean energy versus large-scale, remotely sited projects. Studies show the local sites are more cost-effective and timely in creating jobs for local economies. Regarding the complexity of implementation, these FIT programs are actually relatively straightforward. There are programs like this all around the world, and there are calculations and design models for implementation. As a nonprofit organization, we at the Clean Coalition are more than happy to volunteer our expertise and help the PUCN with the design.

SENATOR COPENING:
Does this amendment impact the fiscal note?

CHAIR SCHNEIDER:
Probably not. This bill does not start the program, it just sends the proposal to the PUCN for their expert study and recommendations. The PUCN would be reporting on the costs, feasibility and long-term effects of implementing a FIT program in Nevada. If it cost 50 cents per month to incentivize the FIT, once in place, the fuel would be fixed forever, if it is solar. It would not increase in cost, period. This is what we are looking for in renewable energy, to set the fuel cost for eternity. The fuel cost is set, it is clean and it is free. I will close the work session hearing on S.B. 184 now.

SENATOR COPENING MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 184.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HALSETH, ROBERSON AND
SETTELMAYER VOTED NO.)

* * * * *

CHAIR SCHNEIDER:
I will open the work session hearing on S.B. 354 with a work session document ([Exhibit N](#)).

SENATE BILL 354: Makes various changes to regulatory bodies of professions, occupations and businesses. (BDR 54-254)

CHAIR SCHNEIDER:

The Governor supports the concept of this bill. He would prefer to be able to select the chair or president of the boards from their memberships, not being restricted to a public member. This way he could select the person best suited to chair the board.

I would offer the verbal amendment that every board should still have at least two public members, because boards are often charged with enforcing statutes for the protection and benefit of the public. These public members are often in the best position to see that board carry out this duty. In the decades I have served on this Committee, I have seen problems where the public has suffered because boards can sometimes be too protective of their professions at the expense of the public. Nevada is a strong Governor state and the Governor should be able to run the boards and have more control.

SENATOR SETTELMAYER:

Does this verbal amendment replace the bill or add to it?

CHAIR SCHNEIDER:

It would be added to the bill.

SENATOR SETTELMAYER:

I agree that every board should have at least one public member. I also suggest we change the word "would" to "can" in the bill, so the Governor can appoint the chair, but if not, that would be fine. If public member has the most seniority, that person would automatically be the president if choosing to do so. The public member might choose not to head the board, but the Governor could have the ability to choose the chair and appoint one.

CHAIR SCHNEIDER:

Are you suggesting the board chair does not have to be a layperson, but the Governor can appoint anyone as chair?

SENATOR SETTELMAYER:

I do not think the Governor should have the ability to choose just anyone. If they want to dictate the public person as the chair, I am fine with that. I do not think there should be a mandate to have a public person as the chair, but I do think the public person or persons should be respected, active participants on the board.

KEITH LEE (Board of Medical Examiners; State Contractors' Board):

Chair Schneider asked me to work with Fred Hillerby and other members to try to reach a consensus on this issue. We are also working on several other bills characterized as commission sunset bills, all of which deal with sunseting agencies, boards, commissions, etc. On the Assembly side, Assembly Bill 474 is the agreed-upon sunset bill being processed through the Assembly. This bill requires boards and commissions, beginning upon the effective date of the legislation, to fill out a questionnaire and provide a substantial amount of information to the Legislative Counsel Bureau (LCB) that would be used by the Nevada sunset commission. We added that they provide the name and contact information for the executive director and list of staff members of the board and commission. This makes known exactly who is the executive director and all the people who work for that commission or board. They must also supply the governance structure, including information on the method, terms, qualifications and conditions of appointment and removal. All of this information will be gathered and available, answering some of the questions Senator Settelmeyer had about who are these members, are there public members and how many. Usually there are one to three public members.

ASSEMBLY BILL 474: Creates the Sunset Subcommittee of the Legislative Commission to review certain boards and commissions. (BDR 18-889)

Our working group supports the notion that the Governor should have the option to appoint the chair of these boards or commissions, and the Governor should have the flexibility to choose from any of the members of the board or commission. Some of the boards, such as the Board of Medical Examiners, require a lot from their chairs and those positions may not be suitable for a layperson. We did have a nonprofessional, Don Baeplar, past president of University of Nevada, Las Vegas, serve as chair of the Board, and he did an admirable job. He was a retiree at the time, though, and if a board chair is dealing with complicated issues like qualifications for licensure, disciplinary matters and the like, it can be very complicated and time-consuming.

SENATOR SETTELMEYER:

What do you want to do with this, Mr. Chair? Do you want the Governor to be able to appoint any person to be chair, or just the public person?

CHAIR SCHNEIDER:

I would go with any person. I like the idea of a regular citizen. For the purposes of today, it really does not matter. I want to keep this bill alive so we can move the discussion forward. The new members of this Committee, Senator Halseth and Senator Roberson do not know yet that many times a good bill can just disappear, even with all good intentions. I have discussed this with the Governor's staff and they like what we are doing with this proposed bill.

SENATOR SETTELMAYER:

What if we took this bill and the amendment, and within the amendment say the Governor can appoint the chair or president of a board? If the Governor fails to appoint a chair, then a public member, if having seniority, is automatically the chair unless that person declines. Would that include your intentions?

CHAIR SCHNEIDER:

I think we should ask counsel about it.

MR. NICHOLS:

"By seniority, Senator Settelmeyer, do you mean the longest-serving public member?"

SENATOR SETTELMAYER:

Correct. The longest-serving public member should be given the opportunity to chair the board or commission, unless that person declines.

MR. NICHOLS:

"Ok, so instead of a duty on the Governor to appoint the chair, he or she would have the authority to appoint the chair?"

SENATOR SETTELMAYER:

Changing the word "would" to "can" gives the flexibility to the Governor in a case where he or she does not have the expertise or specific knowledge of a board to appoint the best chair. This way, the Governor does not have to do it, but he or she could do it.

MR. NICHOLS:

"Do you have a time frame in mind for how long the Governor would have to make that decision?"

SENATOR SETTELMAYER:

Anytime he or she so desires, since the rest of the bill says the chairs serve at the Governor's pleasure.

MR. NICHOLS:

That is my point, though. How long would you want to give him or her, the Governor, to appoint a chairman? Because you probably want each of these boards to have a chairman. Do you want to give the Governor a period of time in which the Governor has to act, and if the Governor doesn't act after that period of time, then it would go to this default that the longest-serving public member would be appointed? And if so, do you have a sense of the time period?

CHAIR SCHNEIDER:

Are you talking about when the bill goes into effect?

SENATOR SETTELMAYER:

For legislative intent, the current chair is the current chair. If this bill passes, the current chair is still the current chair. However, if the Governor so decides, he or she could determine who is the chair at any time. I do not see the need for a time frame.

MR. NICHOLS:

At the expiration of the term of the current chairman, you would have a vacancy. The Governor would have the authority at that point to appoint a chair. But if the Governor does not, for how long do you want to wait for the Governor to make that decision before this trigger that the public member would then become the chair?

CHAIR SCHNEIDER.

We would not want it to go longer than 60 days. Board members quit or can be relieved of their duty by the Governor, and then the vacancy should be filled within 30 to 60 days. You would want someone in charge, especially if it was a major board.

SENATOR SETTELMAYER:

If that is your preference, I would say 60 days and make that in the form of a motion with the other items we discussed.

MR. LEE:

There was some discussion in my working group about the portion of S.B. 354 which specifies a member of the public be able to chair a board or commission. That chair usually has the hiring and firing authority within the staff, and this did not make sense to us. The executive director responsible for all the staff works for the board. It is the board that approves the budget and hires and fires directors. We would urge you to delete that portion of the proposal. Continue to have the management done the way it is now, which is to have the board be responsible for hiring the executive director, and that person then be responsible for the hiring, firing and management of staff.

CHAIR SCHNEIDER:

For the purposes of today, we should leave the bill the way it is and move it out. We will have a lot of negotiation within the next 45 days.

MR. NICHOLS:

I want to ask some more questions about the conceptual amendment. Do you want the Governor to have the authority to remove a chair of a board who takes that position in a way other than by appointment by the Governor? Which is to say, if the public member, by default, becomes the chair, do you want the Governor to be able to remove that person?

SENATOR SETTELMAYER:

I believe the amendment states that all appointees serve at the pleasure of the Governor, so theoretically, he or she can remove anyone at any time.

MR. NICHOLS:

"The way you are describing it, if the most senior public member decides, 'Well, I am eligible to be chair but I don't really want to serve in that capacity,' it would then go to a vote of the members of the board."

SENATOR SETTELMAYER:

Then it would follow the normal procedure they have established for the determination of the chair. Each board has a procedure set forth. The Governor could supersede that through this proposal.

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 28

MR. NICHOLS:

"Then again, you would want the Governor to have the authority to remove that person?"

SENATOR SETTELMAYER:

Yes, the Governor could supersede that.

SENATOR SETTELMAYER MOVED TO AMEND AND DO PASS AS
AMENDED S.B. 354.

SENATOR BREEDEN SECONDED THE MOTION.

SENATOR PARKS:

I do have some concerns, but I do want to see the end product. We did get a lot of opposition to this bill. I will support it, and I want to review the amendment.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR SCHNEIDER:

I will open the hearing on S.B. 414. We have a conceptual amendment for this bill proposed by Mr. Uffelman.

[SENATE BILL 414](#): Revises provisions relating to banks. (BDR 55-1107)

WILLIAM UFFELMAN (Nevada Bankers Association):

Section 2 of this proposed bill, lines 3-9 on page 2, puts banks in an awkward position between the Federal Deposit Insurance Corporation (FDIC) and working with their customers. I urge you to delete this from the bill. Section 3, limiting short sales to 90 days, should be amended to give the parties the option of extending that time limit. If the lender, seller and purchaser all agree, this would give them more flexibility. Section 3 also refers to a "bank," which should be amended to read "lender," as defined in NRS 106.340, which would include more relevant parties, including savings and loans, etc. On page 4, lines 6 and 7, the definition of "financial institution" in the referred NRS 363A.050 excludes credit unions. These institutions should be included.

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 29

SENATOR SETTELMAYER:

Are you saying to take out the changes in section 4?

MR. UFFELMAN:

No, the language at the bottom of page 3 is something we have conceded. Deficiency judgments on residential mortgages are usually forgiven in a short sale. As written on page 4, lines 1-5, it states that the financial institution could retain a deficiency judgment right if they note it in the agreement. People make what is known as strategic defaults, where they keep the house at Incline Village but I will give up the house in the valley. Maybe those people have a lot of assets the lender would want to retain the right to pursue.

SENATOR SETTELMAYER:

On page 2, line 18, do you want to add "unless otherwise agreed by all parties" to the language?

MR. UFFELMAN:

Yes, this would allow for cases where something is slowing up the process, even something so incidental as a family emergency. Without this language added, the process would just have to come to a halt.

SENATOR SETTELMAYER:

Does the Chair want to take a motion to amend and do pass with what he said?

CHAIR SCHNEIDER:

Yes, and Mr. Uffelman will write this up for Mr. Nichols to process into a written amendment, and we will close the hearing on S.B. 414.

MR. NICHOLS:

"Would this motion that has not yet been made to amend and do pass include an expansion of the definition of financial institution to cover what we would typically consider to be banks or lending institutions?"

CHAIR SCHNEIDER:

Yes, it would cover credit unions, savings and loans, whatever institution is lending the money.

MR. UFFELMAN:

Throughout section 3, where it says "bank," change that to "lender."

MR. NICHOLS:

"For the purposes of the new language in section 4, where the term 'financial institution' is used, would you want a consistent definition there or do we want to limit that definition?"

MR. UFFELMAN:

I just wanted you to be aware that the definition of financial institution as used in the NRS referenced in the bill does not include credit unions, and if you do not change that definition, you will be excluding credit unions from this proposal.

CHAIR SCHNEIDER:

Credit unions mostly do second mortgages, not first mortgages, but still they should be included.

MR. NICHOLS:

"Obviously, Mr. Chairman, it doesn't matter to me. I just want to make sure we get the Committee's intent into the amendment."

SENATOR ROBERSON:

Looking at the original legislation, section 4, subsection 4, paragraph (e), provides that lenders could still go after a deficiency judgment so long as they indicated on the short sale agreement that there was still an amount due and owing. Is this correct?

MR. UFFELMAN:

Yes, that is how I read that portion of the bill. If the lender, the financial institution, exercises the power under that portion of the bill, they have retained the right to pursue a deficiency judgment.

SENATOR ROBERSON:

That is good. I have seen many people enter into a short sale and not realize whether they still owe something. Making it a requirement that the borrower understand there is still an amount due and owing after the fact is a good thing.

CHAIR SCHNEIDER:

Is that to protect people who do strategic foreclosures?

MR. UFFELMAN:

If that section stays as it is, the financial institution has the right to pursue a deficiency judgment, and that would be aimed at thwarting strategic defaults.

CHAIR SCHNEIDER:

The concept here is that for all our constituents who are doing short sales, we do not want to leave them hanging there and later have the big bank looking to squeeze more blood out of them.

SENATOR ROBERSON:

I agree.

CHAIR SCHNEIDER:

Mr. Nichols just reminded me about something that came up in a previous Committee meeting. You said this measure could cause a land rush of short sales or foreclosures. Can you explain it? We do not want to leave it up to the courts, we want to spell it out here.

MR. UFFELMAN:

The availability of a short sale is an agreement where the lender permits the borrower to do the short sale. In Las Vegas, 70 percent of homeowners are upside-down, or underwater, owing more than their houses are worth. In the past, just being upside-down was not sufficient to induce a lender to permit you to do a short sale. So if deficiency judgments are barred, homeowners could just make their own judgments to walk away from their houses, either through foreclosures or short sales.

This bill only addresses short sales. In this instance, the lender could waive the deficiency judgment so the seller would not owe the balance between what is owed on the initial mortgage and what are the short sale proceeds. Say the short sale yielded \$200,000 and the mortgage was \$400,000. In that case the seller would not owe the lender \$200,000. Also, the lender would not report the mortgage indebtedness of that \$200,000 to the Internal Revenue Service (IRS), saving the seller from paying taxes on that money.

The land rush I referred to would be that those who could obtain permission from their lender to do the short sale might put their houses on the market just to get out from being underwater. If a development has 1,000 homes and 500 have already been foreclosed and the other 500 are all underwater, you could have another 500 homes on the market at a new low price.

SENATOR ROBERSON:

In short sales, there can be tax liability. Are you saying that would not be the case here?

MR. UFFELMAN:

The IRS rules, as modified by the law extending the tax cuts in December 2010, kept the IRS rule in place until December 31, 2012. This rule states that with respect to residential properties where the mortgage debt is forgiven by the financial institution, the person does not have a tax liability.

CHAIR SCHNEIDER:

It would be advisable to put a disclosure in bold writing above the signature line to notify the party, or have the party sign a separate form to let them know this information.

SENATOR ROBERSON:

Maybe it would make sense to state one way or the other on the form that they either owe a deficiency amount or that they do not owe it. Get it in writing.

CHAIR SCHNEIDER:

That sounds good to me. We need to have something in there so the people know what is happening. Something very bold.

MR. UFFELMAN:

I have no objection to this.

SENATOR BREEDEN:

My preference would be that you waive deficiencies on short sales. I think people need help. I would prefer the message be in all bold font and say the person waives their right to proceed with a deficiency judgment.

SENATOR ROBERSON:

I do not agree with Mr. Uffelman that there would be a land rush the way the language is in the bill now. If you eliminate the ability of a lender to go after a deficiency judgment in a short sale, you do not know what would happen. You might see the number of short sales decline dramatically. People would still be stuck in a situation where they cannot pay their mortgages and the banks would be less likely to negotiate a short sale with them because they cannot go after the deficiency. We also get back to the fact that we are all consenting adults; we did agree to the mortgage agreement.

CHAIR SCHNEIDER:

Most of the lenders have insurance so they are covered in a foreclosure. Many lenders have Private Mortgage Insurance (PMI) if the buyer puts down less than 20 percent, so they are going to get their money. The question is, if banks have insurance, would they be entitled to go after a deficiency? That seems like double-dipping.

MR. UFFELMAN:

The irony with the mortgage insurance is that the system short-circuited PMI when they went to the 80/20 mortgages. The insurance guarantees within Federal Housing Authority and Veterans Administration loans are only for a piece of the mortgage. The problem is, who would have thought the home values would now be half of what they sold for? A short sale is an orderly process whereby a foreclosure is a disorderly process. In a short sale, it behooves the borrower to behave responsibly relative to the property. You are not paying the mortgage, so if you have any income, you could keep the trees alive by watering, you could clean the carpet and make the house attractive to sell. We see people ripping out counters and removing doors and the sale value can decline from \$500,000 to \$250,000. A short sale nets more than a foreclosure, but it also helps the neighborhood, because at least someone is maintaining the property and trying to sell it at a better price rather than just deserting it.

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 34

SENATOR ROBERSON:

I am comfortable with this bill with the amendments Mr. Uffelman suggested and on page 4, lines 1-5, adding language stating clearly that it is the responsibility of the lender to disclose on a short sale agreement whether there is a deficiency judgment and whether the lender wants to maintain the option of executing that judgment, and the amount. It should be prominently displayed on the short sale agreement, advising the borrower whether or not there is a deficiency judgment and what is the amount.

SENATOR SETTELMAYER:

Are you saying that we are going with Mr. Uffelman's amendment, including the concept of adding on the short sale contract form a clear and unambiguous statement about the leftover deficiency judgment that the person will have to initial or sign?

SENATOR ROBERSON:

Yes, that sounds good.

CHAIR SCHNEIDER:

Senator Settelmeyer is withdrawing his motion, and we will consider Senator Settelmeyer's conceptual amendment. I will close the hearing on S.B. 414 now.

SENATOR ROBERSON MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 414.

SENATOR SETTELMAYER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR BREEDEN VOTED NO.)

* * * * *

CHAIR SCHNEIDER:

My marijuana bill, S.B. 336, is on our agenda and has a fiscal note. I want to rerefer it to the Senate Committee on Finance. We did get a letter from the LCB stating that we have a conflict with the U.S. Drug Enforcement Administration of the U.S. Department of Justice. We will bring that bill back to Committee.

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 35

[SENATE BILL 336](#): Revises certain provisions relating to prescription drugs.
(BDR 40-234)

SENATOR SETTELMAYER MOVED TO REREFER WITHOUT
RECOMMENDATION TO THE SENATE COMMITTEE ON FINANCE
S.B. 414.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR SCHNEIDER:
I will roll S.B. 329 until tomorrow.

[SENATE BILL 329](#): Revises provisions governing prescriptions. (BDR 54-904)

Senate Committee on Commerce, Labor and Energy
April 14, 2011
Page 36

CHAIR SCHNEIDER:

Seeing no more business to be discussed today, I will adjourn the meeting of the Senate Committee on Commerce, Labor and Energy at 11 a.m.

RESPECTFULLY SUBMITTED:

Linda Hiller,
Committee Secretary

APPROVED BY:

Senator Michael A. Schneider, Chair

DATE: _____

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 267	C	Senator Michael A. Schneider	Work Session Document
S.B. 99	D	Senator Michael A. Schneider	Work Session Document
S.B. 291	E	Senator Michael A. Schneider	Work Session Document
S.B. 290	F	Senator Michael A. Schneider	Work Session Document
S.B. 266	G	Senator Michael A. Schneider	Work Session Document
S.B. 59	H	Senator Michael A. Schneider	Work Session Document
S.B. 313	I	Senator Michael A. Schneider	Work Session Document
S.B. 281	J	Senator Michael A. Schneider	Work Session Document
S.B. 21	K	Senator Michael A. Schneider	Work Session Document
S.B. 184	L	Senator Michael A. Schneider	Work Session Document
S.B. 184	M	Bob Tregilus	John Crider Information Letter
S.B. 354	N	Senator Michael A. Schneider	Work Session Document