

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Seventy-Seventh Session
April 5, 2013**

The Committee on Commerce and Labor was called to order by Chairman David P. Bobzien at 1:09 p.m. on Friday, April 5, 2013, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at nelis.leg.state.nv.us/77th2013. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman David P. Bobzien, Chairman
Assemblywoman Marilyn K. Kirkpatrick, Vice Chairwoman
Assemblywoman Irene Bustamante Adams
Assemblywoman Maggie Carlton
Assemblyman Skip Daly
Assemblywoman Olivia Diaz
Assemblyman John Ellison
Assemblyman Jason Frierson
Assemblyman Tom Grady
Assemblyman Ira Hansen
Assemblyman Crescent Hardy
Assemblyman James W. Healey
Assemblyman William C. Horne
Assemblyman Pete Livermore
Assemblyman James Ohrenschall

COMMITTEE MEMBERS ABSENT:

None



GUEST LEGISLATORS PRESENT:

Assemblyman Lynn Stewart, Clark County Assembly District No. 22
Senator Joseph (Joe) Hardy, Clark County Senatorial District No. 12

STAFF MEMBERS PRESENT:

Kelly Richard, Committee Policy Analyst
Matt Mundy, Committee Counsel
Leslie Danihel, Committee Manager
Julie Kellen, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Adam Plain, Insurance Regulation Liaison, Division of Insurance,
Department of Business and Industry
Robert Gronauer, President, Bobby G & Associates, Las Vegas, Nevada
Randy Brown, representing AT&T
Michael Bagley, representing Verizon Wireless
Randy Robison, representing CenturyLink
Eric Witkoski, Chief Deputy Attorney General, Consumer Advocate,
Bureau of Consumer Protection, Office of the Attorney General
Debrea Terwilliger, Assistant Staff Counsel, Office of the Staff Counsel,
Public Utilities Commission
Robert Ostrovsky, representing Cox Communications
John Griffin, representing Sprint
Helen Foley, representing T-Mobile
Lawrence Matheis, representing Nevada State Medical Association
Keith Lee, representing Board of Medical Examiners
Alfredo Alonso, representing First American Title Insurance Company and
TAL Studio, Las Vegas, Nevada
Rocky Finseth, representing Nevada Land Title Association
Russell Dalton, Vice President and State Underwriting and
Agency Director, First American Title Insurance Company
David Goodheart, representing State Board of Architecture, Interior
Design and Residential Design

Chairman Bobzien:

[Roll was called.] We are going to begin with a work session. I will turn it over to our Committee Policy Analyst to walk us through the work session document ([Exhibit C](#), [Exhibit D](#), [Exhibit E](#), [Exhibit F](#), and [Exhibit G](#)).

Kelly Richard, Committee Policy Analyst:

The first bill on your work session for today is Assembly Bill 22.

Assembly Bill 22: Revises provisions governing the continuing education requirements for certain persons licensed to perform work of limited scope on manufactured or mobile homes or other similar structures. (BDR 43-358)

It was heard in Committee on February 8, 2013, and it was sponsored on behalf of the Manufactured Housing Division. [Read from work session document ([Exhibit C](#)).] This bill allows the Administrator of the Manufactured Housing Division to waive the continuing education requirement for a specialty serviceperson if the serviceperson holds a license issued by the State Contractors' Board and such a waiver would be in the State's best interest. There were no amendments.

Chairman Bobzien:

What is the pleasure of the Committee?

ASSEMBLYMAN OHRENSCHALL MOVED TO DO PASS
ASSEMBLY BILL 22.

ASSEMBLYMAN ELLISON SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Ohrenschall:

I had some questions about the bill, and the people at the Manufactured Housing Division did reach out to Nevada Association of Manufactured Home Owners, which represents the tenants. I received a lot of feedback, and they are okay with the bill.

Chairman Bobzien:

Thank you for tracking that down. Any further discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMAN FRIERSON WAS
ABSENT FOR THE VOTE.)

Kelly Richard, Committee Policy Analyst:

The next bill before you today is Assembly Bill 226.

Assembly Bill 226: Enacts provisions governing certain policies of insurance, annuities and retained asset accounts. (BDR 57-588)

This was sponsored by Assemblywoman Bustamante Adams, and it was heard in Committee on March 27, 2013. This bill requires an issuer of policies of life insurance or annuities to perform a comparison, on at least a semiannual basis, of the names on the Death Master File of the Social Security Administration with the names of insured individuals to identify potential matches. [Continued to read from the work session document ([Exhibit D](#)).]

Assemblywoman Bustamante Adams has submitted the amendment you see before you. It clarifies certain definitions within the bill. [Continued to read from work session document.]

Chairman Bobzien:

Mrs. Bustamante Adams, do you want to give us a quick update on your work?

Assemblywoman Bustamante Adams:

I appreciate the Committee's help because during the presentation, there was one pain point that all the stakeholders could not agree upon. They were able to work it out. This legislation is also a good collaboration with all of the policyholders, and it allows additional protection for Nevadans. It is a great policy as far as a national approach.

Chairman Bobzien:

It is good to hear that. Do we have a question?

Assemblyman Hardy:

There was a comment, and maybe it was addressed, that there was a concern about insurers being able to use their own database information. Is that something that is still a concern, or did it get resolved?

Assemblywoman Bustamante Adams:

That is no longer a concern.

Assemblywoman Carlton:

I was concerned that people may have missed the opportunity to get their life insurance. Was that addressed? This will apply to small life insurance companies as well as large ones, correct?

Assemblywoman Bustamante Adams:

I will have the Division of Insurance come up for that part. To answer your second question, yes, that was going to apply to small and large.

Adam Plain, Insurance Regulation Liaison, Division of Insurance, Department of Business and Industry:

I just want to clarify. Was the unanswered question about the size or about the existing policies?

Assemblywoman Carlton:
Existing policies.

Adam Plain:

The resolution that we have come up with is that the search will be required to be performed on any in-force policy on an insured at the time of the insured's death that would normally require a benefit payment to be made. As long as the policy requires payment, it is required to be searched.

Assemblywoman Carlton:

I wanted to make sure this was not going to have an effect on policies that had been sold and that most of us have on children or family members. I wanted to make sure everyone is protected under this.

Adam Plain:

To add to that, there have been questions about the legality of the bill on a retrospective basis. Within the past week, the Tennessee Court of Appeals ruled that the retrospective nature of the bill, in that state, was legal as a matter of public policy.

Assemblywoman Carlton:

Thank you for putting that on the record.

Chairman Bobzien:

I know our legal counsel was looking at this issue pretty extensively too. Mr. Mundy, could you address this?

Matt Mundy, Committee Counsel:

Our office is of the opinion that the potential impact of the legislation on existing contracts of insurance is insufficient to interfere with the terms of an existing contract or otherwise alter their contractual relationship in a manner that would provide a constitutional impediment to passing the legislation.

Chairman Bobzien:

With that clarification, Committee, what is your pleasure?

ASSEMBLYMAN ELLISON MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 226.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN FRIERSON WAS
ABSENT FOR THE VOTE.)

Kelly Richard, Committee Policy Analyst:

The next bill before you today is Assembly Bill 228, which is sponsored by Assemblyman Grady.

Assembly Bill 228: Authorizes certain providers of health care to provide voluntary health care service in this State in association with certain organizations. (BDR 54-245)

It authorizes a provider of health care, who is licensed or certified in this state or in another state or territory, to provide voluntary health care services without compensation if those services are provided in association with a sponsoring organization. [Continued to read from work session document ([Exhibit E](#)).]

Chairman Bobzien:

Do we have any discussion from the Committee?

Assemblyman Grady:

As of about an hour ago, I think we finally got everyone to agree to everything under section 8.5 that calls for fingerprints. We will need to amend that. The section further states that if the license comes from a state that does not require fingerprints, they will be required to provide fingerprints. If the state has fingerprints as part of the licensing procedure, we would not require fingerprints. I have talked to the Department of Health and Human Services, and they have agreed to that. That would eliminate the fiscal note on it. The requester of the amendment has agreed to that.

Chairman Bobzien:

To be sure, this is an issue of duplication and to make sure we are not duplicating fingerprints.

Assemblyman Grady:

Correct.

Chairman Bobzien:

Is there any further discussion on the amendment to the amendment?
[There was none.]

ASSEMBLYWOMAN CARLTON MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 228.

ASSEMBLYMAN LIVERMORE SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN FRIERSON WAS
ABSENT FOR THE VOTE.)

Kelly Richard, Committee Policy Analyst:

The next bill before you is Assembly Bill 426.

Assembly Bill 426: Revises provisions relating to mortgage lending.
(BDR 54-42)

It was heard Wednesday evening in this Committee, and it was brought forward by the Commissioner of Mortgage Lending. The bill defines "residential mortgage loan servicer" and requires the Commissioner to adopt regulation to license such a person. [Continued to read from work session document ([Exhibit F](#)).]

Chairman Bobzien:

Assemblyman Ohrenschall, you are aware of your role in this, I assume?

Assemblyman Ohrenschall:

Very aware. We are waiting for it.

Chairman Bobzien:

You will be dealing with this next week. With that, do we have any discussion on this bill? [There was none.] I will be willing to entertain a motion.

ASSEMBLYWOMAN CARLTON MOVED TO DO PASS
ASSEMBLY BILL 426.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN FRIERSON WAS
ABSENT FOR THE VOTE.)

Kelly Richard, Committee Policy Analyst:

Finally, this is Assembly Bill 492 in your work session document.

Assembly Bill 492: Revises provisions governing the Credit Union Advisory Council. (BDR 56-577)

This bill was also heard on Wednesday evening. [Continued to read from work session document ([Exhibit G](#)).] It revises provisions governing the Credit Union Advisory Council. It was brought forward by the Sunset Subcommittee. The bill revises the authority of the Credit Union Advisory Council by eliminating the supervisory powers of the Council so that it functions as an advisory council only.

Chairman Bobzien:

This is one from the Sunset Commission. What is the pleasure of the Committee?

ASSEMBLYWOMAN CARLTON MOVED TO DO PASS
ASSEMBLY BILL 492.

ASSEMBLYMAN DALY SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN FRIERSON WAS
ABSENT FOR THE VOTE.)

We obviously have a few more of those to get through before next week's deadline.

With that, we will move to our bill hearings and begin with Assembly Bill 306.

Assembly Bill 306: Revises provisions relating to private investigators and related professions. (BDR 54-677)

I believe Mr. Horne will be introducing the bill.

Assemblyman William Horne, Clark County Assembly District No. 34:

I appreciate the opportunity to present A.B. 306, which deals with provisions relating to private investigators.

Chairman Bobzien:

As a general reminder, we are in crunch time and have five bills to hear today. We are going to try to allocate 30 minutes for each bill, so we can move through these.

Assemblyman Horne:

In that vein, I am going to help the Committee out. I want to introduce Robert Gronauer. Many of you know "Bobby G," and he is going to present this bill.

Robert Gronauer, President, Bobby G & Associates, Las Vegas, Nevada:

I am here to answer any questions you have on A.B. 306. I will give you a brief overview. As an industry, we wanted to allow private investigators to clean up all things to protect the citizens of Nevada. It is also to get back some money that is sent to other states. I think that is the crux of it.

We have Peter Maheu from the Nevada Society of Professional Investigators; Mike Kirkman, who is the vice president of the Nevada Society of Professional Investigators; and Kevin Ingram, the executive director of the Private Investigator's Licensing Board (PILB).

Chairman Bobzien:

What might be helpful would be a quick run-through section by section on what the bill does specifically. We will then see if we have any questions. You do not need to read it line by line but just give us the CliffsNotes version.

Robert Gronauer:

Assembly Bill 306 is to regulate professions and revise the definition of "private investigator." Right now, we have an overlay of things that do not fit. We are trying to massage it into what it is supposed to be and how it should work.

One of the biggest things is to provide proper penalties for people who perform the service but are not licensed properly. The executive director of the PILB has some statistics of how many people operate in our state without licensing or overview.

Chairman Bobzien:

Do we have questions from the Committee?

Assemblywoman Carlton:

Could you give me an example of the problem and what we are trying to fix? I think I might be able to wrap my brain around what is in this bill if I know what the problem is.

Robert Gronauer:

Because of the Internet, people are doing business in New Jersey where they are licensed, but have no license in Nevada, and they employ people in Nevada who are not licensed or supervised. They are not covered by workers'

compensation or any insurance. They do not need insurance. That is what we are trying to wrap up a little easier.

Assemblywoman Carlton:

We do appreciate your brevity. That is what I thought we were getting at, but I wanted to make sure we were not trying to take someone else's business away from them. We want them to do business, but we want them to do it appropriately in this state.

Robert Gronauer:

That is the crux of it. We who are licensed in our profession take it very seriously. We are also charged money we have to pay for insurances and licensing. I paid well over \$13,000 for my insurance. Some people have several hundred employees who are not covered. That is something the executive director would be able to answer a little clearer for you. I hope that helps. I am trying to be quick, so I might be missing something you want to hear.

Assemblywoman Carlton:

That made it very clear for me. I want to make sure we are not trying to eliminate jobs. We are trying to hold everyone to the same standard.

Robert Gronauer:

Eliminating jobs is a good point. These people can still do the same job if they go through licensing. We are not trying to eliminate jobs. If anything, we are going to bring more money back to the state. People will be covered better, especially with workers' compensation. If somebody goes to the courthouse, falls down the steps, and become handicapped, this state will be liable for that person. That person is not covered by workers' compensation unless we have a licensed professional who can supervise that person in this state.

Chairman Bobzien:

I have one question. In section 2, subsection 15, you are adding a new exemption to this list of people who are not covered by the statute. It says:

To a person performing the repair or maintenance of a computer who performs a review or analysis of data contained on a computer solely for the purposes of diagnosing a computer hardware or software problem and who is not otherwise engaged in the business of a private investigator.

Does this kind of clarity stem from an actual situation?

Robert Gronauer:

Today everything is computerized. There are people who repair computers and look at computers. Nothing on a computer ever goes away forever. We want to make sure the people who honestly repair computers are not using that information for any type of investigation. We want to regulate those who do use computers for investigations.

Chairman Bobzien:

That sounds good. Are there additional questions from the Committee?

Assemblyman Livermore:

I had the same problem with this. I am not looking for someone doing an investigation to come on my computer. They will not find anything I would be worried about. I do have personal banking information on there. What protects me, the consumer, from this technician you just described?

Robert Gronauer:

I really believe you have a concern. We all have a concern when we leave our computers with anyone for repair. That information does not go away. The people who repair things are supposed to be bonded, licensed, and everything else on their own side. We cannot control some of that. We want to have some oversight over the people who do the investigations by using computers.

Chairman Bobzien:

Mr. Livermore, I believe Mr. Mundy might be able to provide some clarity to that concern.

Matt Mundy, Committee Counsel:

I think the changes in subsection 15 are in light of the authorization in section 1 to allow, as part of an investigation, the analysis and review of computer information. Just as an investigator would not be able to break and enter into a property, he or she would not be able to break the law to access computer information. I do not think that is contemplated by the expansion in here in the scope of an investigation.

As far as accessing something like personal data

Assemblyman Livermore:

I am worried more about cyber security and sending my information someplace else. Somebody could be bonded or licensed, but a crook is a crook and will take from you. I do not see any protection for the consumer in here.

Chairman Bobzien:

Maybe the concern you are expressing is beyond the scope of this bill. It points to that issue, and it is a concern, but I do not think there is anything in this bill that moves that issue one way or the other. I have proponents at the table shaking their heads yes.

Robert Gronauer:

We agree. There are other avenues for that, and it is not through this bill.

Chairman Bobzien:

Do we have additional questions from the Committee?

Assemblyman Healey:

I have a question for you regarding clarification in section 4, subsection 3, paragraph (a), where it says, "Maintain at a location within this State records relating to the employment, licensure and registration of employees." Do these have to be paper, or can these be electronic records?

Robert Gronauer:

It has to do with the PILB that oversees private investigators' licenses. They would be able to come in and audit. They need to have a place here in Nevada to keep records, payroll, et cetera. This is so we know they have insurance and the payroll is being paid. Right now, that is not happening. We have people with hundreds of employees scattered around in Nevada who are based in New Jersey, Minnesota, or elsewhere and do tenant lookup stuff and things like that but are not licensed. They have what they call "employees," but they are not paid in Nevada but in their home state. There is nothing that holds them to the insurance. If they have a home office here in Nevada and are properly licensed, this will allow the PILB to have greater oversight and greater control. There is not a problem with jobs here. This will bring money back to the state, and it covers people with workers' compensation. These are big issues at this point.

Assemblyman Healey:

To clarify, as long as these records can be accessed for an audit electronically, produced, and show that the payroll is here and so forth, that is acceptable.

Robert Gronauer:

You are exactly right. My records are pretty much all electronic, but they have to be available for the PILB when they come in to audit. I have to show my insurance and all of the other things that are required. My license would have to be properly displayed, and I would need to have that license here in Nevada.

Chairman Bobzien:

Are there any further questions? [There were none.] Do we have additional proponents wishing to speak? [There was no one.] Are there any opponents? [There was no one.] Is there anybody in neutral? [There was no one.]

[The Nevada Electronic Legislative Information System (NELIS) contains an additional exhibit, a proposed amendment from Peter Maheu ([Exhibit H](#)).]

We will close the hearing on A.B. 306.

We will open the hearing on Assembly Bill 486, which revises provisions relating to telecommunication providers.

Assembly Bill 486: Revises provisions relating to telecommunication providers. (BDR 58-970)

Randy Brown, representing AT&T:

Thank you for the opportunity to appear today and present A.B. 486. Joining me at the table are Randy Robison from CenturyLink and Michael Bagley from Verizon.

As a brief overview, A.B. 486 was created in an effort to update Nevada law that was originally crafted in a monopoly environment a century or so ago. Simply put, current law lags behind market realities. Providers like AT&T and CenturyLink are bound by an outdated regulatory regime not at all reflective of today's highly competitive telecommunications industry.

In fact, market realities may surprise you. One-third of all households in this country use wireless technology as their only telecommunications mechanism. Another one-third of households use Voice over Internet Protocol (VoIP) as their communications platform, which are services like Skype, Vonage, and the local cable company, among others. Only the remaining one-third of households choose to receive their telecommunications service from the incumbent local exchange carrier like AT&T, CenturyLink, or the small rural providers.

The measure before you is necessary to ensure that Nevada is positioned to welcome investment in the most modern communications infrastructure—the very infrastructure consumers and businesses are demanding today.

Assembly Bill 486 contains three main provisions relative to telecommunications modernization in Nevada. At a very high level, the measure removes existing references to telegraph throughout Nevada law. It also seeks to codify current existing practice relative to the regulation of VoIP, ensuring that the

Public Utilities Commission of Nevada (PUC) is positioned to act with whatever authority it is granted by the Federal Communications Commission (FCC).

Finally, the measure seeks to treat all competitors uniformly by relieving competitive suppliers of the obligation to serve in instances where alternative service providers are available. The obligation to serve originated during a time when there were no alternative providers and, in fact, when laws prohibited others from entering the marketplace. The obligation is no longer necessary when numerous alternative providers are present throughout our service territory.

It is important to understand that the provisions in section 2 of this measure apply only to those who have been designated as competitive suppliers by the PUC. That designation has been approved by the Commission only for AT&T and CenturyLink.

I do not believe there is a dispute among any of the parties that competitive suppliers carry regulatory burdens that other no other competitors carry. I believe the parties also concur that competitive suppliers must be relieved of the outdated provider of last resort (POLR) obligation. We believe the time to act is now.

Thanks to the leadership of Speaker Kirkpatrick, we participated in an all parties meeting where we heard positions from others interested in this measure. After what can only be classified as "lengthy discussions" on Tuesday evening, I think it would be fair to say the parties agree POLR obligations must be removed.

Thank you for the opportunity to provide this testimony. Mr. Bagley is prepared to go into more detail on section 3 of this measure.

Chairman Bobzien:

Welcome, Mr. Bagley.

Michael Bagley, representing Verizon Wireless:

I appreciate the opportunity to briefly testify today on A.B. 486, the telecom modernization legislation for the state of Nevada. I would like to speak to the public policy objectives and public interest benefits of section 3 of the legislation, which addresses VoIP and Internet Protocol (IP) enabled services.

The IP-enabled services of the next generation of communications applications, or apps, are rapidly being deployed to meet consumer demand. In contrast to traditional landline telephone service, IP-enabled services are broadband services

that utilize IP technology, which changes the contents of the communication into digital packets and sends them on the fastest available route over the Internet.

Voice over Internet Protocol is one type of IP-enabled service that provides voice communication. Examples of VoIP, and other IP-enabled services, include Skype, Vonage, and magicJack.

Simply put, IP-enabled services that are based and dependent upon the Internet platform represent the present trend and future of telecom and related services. This bill ensures that VoIP and IP-enabled services will not be subject to state regulation going forward but federal regulation as the FCC deems appropriate, which is the codification of the status quo. These services are not state regulated now, and in fact, the Nevada PUC specifically states on its website that it does not regulate VoIP and Internet-based services. This bill ensures that this status quo will remain the standard. On the other hand, the FCC recognizes that Internet services cross state boundaries and applies regulation on these matters on a national basis as appropriate.

In addition to ensuring the continued vibrant growth of IP-based services, which are fueled by consumer demand, passage of this bill also provides certainty to innovative technology companies that Nevada is a great state to invest in to ensure the continued growth and expansion of IP-based services. This is a decision that 25 other states with similar laws have already made.

We are currently working with some parties on potential clarifying language related to interconnection in section 3 and recognize that the FCC currently has an active, open docket for those engaged in matters related to IP interconnection. We believe the FCC is the appropriate forum for this discussion.

The VoIP and IP-enabled services section of the bill, section 3, is essentially neutral. It grants the PUC no new authority, and it does not take away any existing authority. It recognizes any existing fees and surcharges that are currently being paid will continue to be paid. It has no new fees nor takes any away. The language ensures that VoIP and IP-enabled services would not be regulated at the state level going forward, which they are not today. This is good public policy and will serve as a catalyst for future investment and innovation for which Nevada citizens will greatly benefit.

Chairman Bobzien:

Thank you, Mr. Bagley. Mr. Robison, would you like to speak?

Randy Robison, representing CenturyLink:

I appreciate the opportunity to add a few comments. Most of my testimony has been covered by the other two gentlemen. I would like to reiterate a couple of points that these gentlemen made about what this bill does and also what it does not do.

We are not unique or alone in moving forward on further telecom regulation. As Mr. Bagley mentioned, several other states have encountered these same questions in their telecom reform structure. In fact, according to the National Regulatory Research Institute, between 2010 and 2012, 12 states took on this issue, including POLR obligation relief as well as VoIP oversight reform. By the end of 2012, an additional 14 states had also taken up this issue. With other legislatures meeting in 2013, I am sure other states are working on this as well. We are not unique or alone. Each of those states developed a response to these issues that works for their state, and that is what A.B. 486 does for us. It is a Nevada-tailored approach to POLR obligation relief and VoIP oversight.

Some of those other states completely eliminated POLR obligation and oversight over VoIP. Other states completely revised their oversight structure. Still other states took a more moderate, methodical approach. That is what we are proposing here with A.B. 486. On the POLR side, we are seeking to implement a process that allows for a very thorough evaluation of the competitive environment in the area where POLR relief is being sought. This is to ensure there are verifiable alternative providers that can meet the obligations under a POLR structure.

On the VoIP side of the bill, A.B. 486 seeks to maintain the current level of regulation that exists today. It does not try to expand it or further limit it. It asks to keep it the same. One of the important reasons for doing that is that it maintains the funding for some of those important public interest policy programs that this body has adopted in the past, like Lifeline and 911. Regardless of the technology employed, those programs will still be funded under the current structure.

Let me talk about why we think this methodical approach is the right approach for Nevada, for both consumers and the telecom industry. On the POLR side, as I mentioned, it creates a process by which we can evaluate the competitiveness of an area in which POLR relief is being sought. That helps ensure that service levels can still be maintained while it also levels the competitive playing field between companies.

You hear a lot about leveling competitive playing fields, and let me tell you what that means in this context. A company with a POLR obligation has to dedicate a portion of its budget to maintain the facilities to meet those obligations. Companies who do not have the POLR obligation do not have to spend that portion of their budget on those obligations. Instead, they are able to spend that money on upgrading their network, introducing new products or services to their consumers, or improving their service. As a result, that gives them an advantage in the competition to win and keep customers within that same customer base all of us are competing for. In effect, the non-POLR company grows better faster, whereas the POLR company grows better slower. In the fast-paced telecommunications technology realm, growing slower does not quite cut it.

We think the way A.B. 486 has been laid out is good for consumers and also good for the telecommunications industry. You will hear from others today, particularly from the PUC as well as from the Bureau of Consumer Protection. They have an important job to do, which we support. We also have a deep and abiding interest in consumer protection. Our consumers are our business. Let me say that again. Our consumers are our business. If we do not meet their needs, they go somewhere else, and our business declines.

In response to some concerns that both the PUC and the Bureau raised the other evening in the previously mentioned meeting in Speaker Kirkpatrick's office, we agreed, and we have offered some proposals to increase the level of consumer awareness, education, and outreach efforts by both the PUC and our companies. This is so our consumers, your constituents, are fully informed of what POLR obligation relief means and also what it does not mean.

In conclusion, we think this methodical approach to the POLR relief obligations and the VoIP section is good for consumers, good for your constituents, and good for the telecom industry in Nevada. There are a number of interests on this bill and a number of concerns that are still being worked through. We are working hard to address those issues and fully cognizant of next week's deadline.

Chairman Bobzien:

Mrs. Kirkpatrick, do you want to weigh in on this?

Assemblywoman Kirkpatrick:

Mrs. Diaz and I stayed pretty late with about 30 people, plus the PUC, talking through some of the bigger-picture items that were problems. We went section by section through the bill. Here is what I will tell you. We should have

a working group where we can have a public hearing now that we understand the concepts.

There were three distinct issues with section 2, so we asked them to come up with a plan on how we could ensure the public knew there were other options and what was expected. There are probably seven or eight amendments at this point, and I do not think it is fair today to go through it, and I asked them not to. I have a collection in my office. I would like to be able to work with the Consumer Advocate and figure out what the commonality is and how we get there.

I will say that everybody was working in the best interest of Nevadans. It was heated at times, and it was boring at times, but only because we were talking about telegraphs. We had to reach back in history. We did try to clean up all of the telegraph language. We found a couple of statutes that we may have gone a little too far to take out because it did not allow for different things.

I think a workshop the next time should be public so everybody can hear the discussion. I did ask Mr. Mundy if he could talk about section 3 because the debate on it was very passionate across the room. My thought at the time was to let our staff make the determination on what it is supposed to do. This language is not even what we had talked about. We changed it a couple times. I want him to talk about the federal regulation piece that came up a lot.

I think section 20 had a couple of other issues. If you would allow me and some other Committee members to spend some hours on this, I would be happy to do that.

Chairman Bobzien:

We will do a subcommittee to give this the full exposure it needs. You used the term working group, but you would like to do a subcommittee.

Assemblywoman Kirkpatrick:

I would like a subcommittee so it is public, posted, et cetera.

Chairman Bobzien:

It is public, posted, and agendaized. Let us have you and Mrs. Diaz.

Assemblywoman Kirkpatrick:

I would like Mr. Hansen.

Chairman Bobzien:

I would like to do that too. I think it is important to have some northern representation in this effort, particularly because of the rural issues. I think it would be appropriate.

I would like to task Mrs. Diaz as the Chair of the subcommittee, and perhaps she could work with your office to get something scheduled. We are coming up on a deadline. The earlier the better in the week. You can work with the Committee staff too.

I believe the intention for the rest of today is to get brief testimony on the record but know that we are not going to solve everything. I would like to allow some time for the PUC to provide some remarks. We may have other companies that want to put some opposition remarks on the record as well. Please be very brief because we can hash this out in the subcommittee.

Mr. Mundy, do you have some comments on this as well?

Matt Mundy, Committee Counsel:

To give the Committee a brief context that was alluded to by the witnesses, there has been a divergence of technology. The PUC does not currently, in general, regulate the IP and VoIP technologies in the state. They regulate traditional means of telecommunication services to some extent. Those are largely regulated by the FCC under the Federal Telecommunications Act. The traditional carriers require a good faith effort to negotiate these interconnectivity agreements. That does not apply to IP and VoIP, as far as I understand. That is part of what is on the docket with the FCC and whether or not they are going to bring the broadband services and digitized voice data into that regulatory authority. This is going to preserve the PUC's ability to regulate those traditional telecommunications carriers, to the extent that the federal law does not pull in the IP and the VoIP providers. The PUC would not have the authority to regulate interconnectivity agreements in the future.

Chairman Bobzien:

With that, we can probably forgo any questions. Knowing we are short of time, I do not think we need to take any more proponent testimony at this time. Mr. Witkoski, could you come forward and give some remarks from the Bureau of Consumer Protection (BCP) so we can get a good trajectory going into the subcommittee. After that, we will have some quick comments from opponents. I think the bulk of this should be from the BCP.

Eric Witkoski, Chief Deputy Attorney General, Consumer Advocate, Bureau of Consumer Protection, Office of the Attorney General:

We have been working together. We think we can work something out. We are mainly focusing our efforts on section 2 in regard to the process of when they relieve the POLR and whether we have a competitive market. We are looking at the criteria of that. They are also looking at changing the definition of basic network service where a different technology could be used. If they want to continue to offer that service, they can use a different technology.

We are working on the process. We had a long process on Tuesday night, so we shortened that up some. We are still working through that. That is a summary of where we are.

Assemblywoman Carlton:

I think we need to get on the record what POLR really is. I remember these discussions a long time ago on the Senate side. The definition of what POLR is in our *Nevada Revised Statutes* is very short and very brief. When you go to the general definition, it is the provider of last resort. They have to give service to people, so that in a competitive market, people cannot be left behind. There are usually the incumbent local exchange carrier (ILEC), and they do receive universal service funds. My concern is, as we move away from POLR with more connectivity, especially in the rural areas, that there truly is competition in the rural areas. How will the PUC address the universal service funds, and how will they be managed in the future as we start to migrate away from POLR?

Eric Witkoski:

In the discussion we are having, I am very concerned about the rural areas, because I am not convinced it is competitive. I think there is competition in Reno, Carson City, and Las Vegas, but there are other areas that may not have competition. That is why we would like to have section 2 be a process of the PUC. There still are negotiations, but we prefer there be a wireline provider and a wireless provider. That usually indicates there is a cable company with wireless cables in competition with the telephone company. We think those criteria are met in the urban areas like Reno, Carson City, and Las Vegas. There is good competition there, but we are concerned going beyond those urban areas and what you have to show to be relieved of that last provider. The POLR is there in case nobody else is there to provide telephone service.

Assemblyman Grady:

I am from the rurals. In your travels around the state, do you have any specifics? We do have pretty good cell phone coverage. It could be better, and there are dead spots. Can you tell us where you think we are really lacking?

Eric Witkoski:

If I could, I want to bring up someone from the PUC. We got involved in the 2007 Legislative Session, and then we kind of deregulated the rates. I get involved periodically. Because of the FCC, the PUC has responsibility. I think we have someone here who can give you a better understanding of what is going on in the rurals. We have looked at the maps, and I am not sure where there is viable competition and where there are multiple wireless services. That is why we would want the PUC to have oversight before any POLR was relieved in those areas.

Assemblyman Grady:

Presently, they do not have the oversight, correct?

Eric Witkoski:

Normally the PUC has some oversight over the old legacy, incumbent telephone company. They would have less oversight over the wireless companies.

Chairman Bobzien:

We will bring someone up from the PUC to provide a little clarity on the existing regulatory environment.

Debrea Terwilliger, Assistant Staff Counsel, Office of the Staff Counsel, Public Utilities Commission:

We do not regulate wireless carriers. The wireless carriers file registrations with the PUC, but it is limited to that. They do not get a certificate of public convenience and necessity. We regulate competitive suppliers, and that includes competitive suppliers that are ILECs, including AT&T and CenturyLink. That also includes competitive suppliers that are competitive carriers, are incumbent, and may or may not have facilities.

For clarity, I want to note that there are occasions where some VoIP providers choose to come to the PUC and get a certificate of public convenience and necessity. There are some reasons in federal law that carriers might do that for numbering purposes or interconnection purposes. If they do, we do regulate them, but we do not seek them out.

Assemblyman Grady:

I am sure this will be decided later; has the PUC taken a position on this from their board or at the staff level?

Debrea Terwilliger:

No, the PUC has not taken an official position. I signed in as neutral. I have been working with Mr. Witkoski to assist on language.

Chairman Bobzien:

Are there any further questions for the PUC? [There were none.] I look forward to your participation in the subcommittee.

At this point, I would like to get some very brief opposition comments from some of the other companies. Just frame how you are going to approach the subcommittee, and we can hash it out there.

Robert Ostrovsky, representing Cox Communications:

Cox Communications supports some POLR relief for the ILECs. We have some concerns about the PUC's ability to put those POLR responsibilities on alternative competitive carriers. That is something we would discuss in the subcommittee. In general, we would support some POLR relief under some conditions.

I think it is important to put on the record that relative to section 3 and the VoIP language, we have a very different opinion than you heard from the proponents of this bill. The reason we have a competitive market environment is because we have the ability to interconnect. When you pick up the phone at your house and call Grandma in Florida, the call gets there because it was interconnected through, possibly, a series of carriers. It is our belief that the PUC has the authority and responsibility to arbitrate interconnection disputes under the current law. Until the FCC rules on its current docket, those are the rules in place and, we believe, the appropriate rules to be in place. If you cannot get an interconnection agreement, you cannot compete. When they decided the nationwide phone system would become competitive, it was to lower rates and whatnot. It is all about interconnection.

All I want you to know is that we disagree with those people. They know our position. It is not a small disagreement but a large one. Speaker Kirkpatrick is aware of that, and we will continue to participate. It was important to have this on the record.

John Griffin, representing Sprint:

I cannot say it any better than Mr. Ostrovsky said it. Section 3 is in very large dispute. We fundamentally disagree with their interpretation of what it says and what it does. We disagree with their interpretation of the law. They claimed this was the status quo and this is solidifying the status quo. I have never seen a proactive bill that needed to run to keep the status quo. We will continue to work with Speaker Kirkpatrick on the fun legal issues.

Helen Foley, representing T-Mobile:

I wholeheartedly agree with the last two speakers. I believe with the pending FCC decision that it is very important for the State of Nevada to make a decision. If the FCC rules in a different manner, then your decision would be moot. If you decide to play a role where the PUC remains in an arbitration mode, and they agree with you and you have removed yourself from that, then you would have two years with no ability to do it. We strongly believe that we need the PUC to be able to arbitrate this. If they are AT&T or CenturyLink and have wireless services, they can charge anything to any of the wireless companies. We want it to be a level playing field.

Chairman Bobzien:

Do we have any further opposition we need to get on record before we send this to subcommittee? [There was no one.] We have heard our neutral testimony, but do we have any additional neutral testimony? [There was no one.]

[Additional exhibits on NELIS were submitted by tw telecom ([Exhibit I](#)), Sprint ([Exhibit J](#)), and Charter Communications ([Exhibit K](#)).]

We will close the hearing on A.B. 486.

We will open the hearing on Assembly Bill 292 and welcome some good friends to the table.

Assembly Bill 292: Revises provisions governing the requirements for licensure to practice medicine. (BDR 54-756)

Assemblyman Lynn Stewart, Clark County Assembly District No. 22:

We have a real shortage of doctors in the state of Nevada. It has one of the lowest ratios in the United States. The purpose of this bill is to try to improve that situation. I am going to turn this over to our joint sponsor, Senator Hardy, who is also a doctor and is more experienced in this matter.

Senator Joseph (Joe) Hardy, Clark County Senatorial District No. 12:

The genesis of A.B. 292, as Assemblyman Stewart has alluded to, is to get more qualified physicians in the state of Nevada. We will have access to more care from a fiscal opportunity in 2014, but we still need more physicians. That is what this bill is attempting to do amongst other things.

As you will note on page 2, line 2, "a license may be issued." It is enabling in *Nevada Revised Statutes* (NRS) Chapters 630 and 633, with NRS Chapter 630

being the medical doctor (M.D.) chapter, and NRS Chapter 633 being the osteopathic doctor (D.O.) chapter.

When we look at what this is proposing, the M.D. or the D.O. will have graduated from medical school and has all of the criteria that are still in statute, which includes having taken and passed all tests and taken three years of post-medical school graduate education. This looks at the definition of the progressive postgraduate education, which you will find on page 2, line 35. This would change that so it does not necessarily have to be in the same program or same specialty. It would allow the option of one or more programs; it would allow the option of being in one or more facilities; and it would allow one or more specialties.

One of the interesting things happening now in the residency, which is completed after medical school, is that the physician will take a rotating year of training and then do a year of pediatrics and a year of medicine, so he or she comes out as a family physician. He or she did not have to take obstetrics, which he or she did not want to take. This allows for a flexibility that is being mirrored by the society as it changes in the United States. This will also allow nonconsecutive months but still require the 36 months. It will allow the time off for somebody who wants to go do something good in the world, have a baby, stay home with a sick child, or have a major illness or injury, et cetera.

There will be friendly amendments. As near as I can tell, all of the amendments I have seen are friendly, so I do not expect anybody to be opposed if they come up with an amendment. On page 3, line 20, it reads, "In one or more approved specialties or disciplines"; we would cross out the word "disciplines" and do the same thing on page 6, line 9. On page 4, line 37, the word "received" would not be taken out. That would be in place of "completed" on line 38 and also on page 6, line 17. The preferred word is "received."

This is enabling, so the medical boards would have the ability to grant the license should they so find such person qualified.

Chairman Bobzien:

We have the one amendment ([Exhibit L](#)) to clarify from the Board of Medical Examiners. I believe we will have a presentation on that. It is your understanding that it is good to go and helps you with your intent?

Senator Hardy:

Yes.

Chairman Bobzien:

Do we have any questions from the Committee?

Assemblywoman Carlton:

In essence, the language changes would affect the provision that you must have 24 months in one specific area. Do I remember that correctly? Do you have to have a certain amount of time in one area? Would we be able to break that up into smaller educational pieces?

Senator Hardy:

You are exactly right. What happens now is that, technically speaking, you would be in a progressive postgraduate course, which is 36 months. Yes, you would be able to do that in different programs, all the while being approved by the boards that approve graduate medical education. Yes, it may be in a different program and even in a different place. You would be able to separate that out.

Assemblywoman Carlton:

I do not see any minimum times in here, and that gives me a little concern. There has to be some sort of time factor, and I do not see that broken down here. That would be concern number one.

The other concern is being able to complete the 36 months without a time certain at the end. I would not want someone trying to do their 36 months and spread it out over five years. We would have to have some sort of cutoff date because it is the practice of medicine, and it is constantly changing. If they do a one year stint in this three-year program, another year in two years, and then another year two years later, are we really getting the value of the education in the three years?

Senator Hardy:

I have become an associate professor of medicine, and what I have found is that the teacher learns more than the student. What happens in residency is that you learn more as you find out you did not know as much as you did before. It does not bother me personally that the person spreads that out as much as whether it is in an approved residency program. For instance, we have the obligation to do continuing medical education, and we will never be done with that. It is amazing what happens in a two-year period and how medicine changes. The person who would go one year, wait two years, go one year, wait two years, and so on would probably come out smarter than the rest of us. I would defer to the collective wisdom of the Committee and see what they would like to do, but I personally do not have any problems with that.

Assemblywoman Carlton:

I still have some concerns.

Chairman Bobzien:

Do we have additional questions? [There were none.] Do we have anyone in support?

Lawrence Matheis, representing Nevada State Medical Association:

We support the intent of the bill. We support the amendments we have heard. We think it gives it added flexibility in trying to add physicians to the state's workforce, which is essential.

Keith Lee, representing the Board of Medical Examiners:

Ditto. We have shared some of the concerns Assemblywoman Carlton has expressed, and we are working through that. We are comfortable, and we think we can address some of those concerns with respect to the fact that we have discretion in whether we apply this or not.

The whole idea of postgraduate training and residency is evolving, so there are now multiple programs, dual programs, that have been approved by the appropriate licensing and accreditation agencies and which take into account some of the things we are talking about here.

With the discretion we have, we can look at the timing issues Assemblywoman Carlton has indicated. This is a work in progress. We have made great strides in this area, and with this coupled with two other bills, we have all worked together to expand this whole notion of licensure by endorsement so we will get more physicians to this state quicker.

Chairman Bobzien:

Are there any questions?

Assemblyman Ellison:

How many physicians do you think this could help bring in between now and the next legislative session, in case this does not pass? I think this is important and we need to address it.

Keith Lee:

I do not know, but we are all trying to expand these various areas where we can get more people. We are trying to present the opportunity. I do not have any idea how many people might come to Nevada. I know part of the Governor's economic development effort is to recruit physicians. We are working with him to at least provide the opportunity. We hope we are able to

expand the number of health care providers in the next two years, but I do not have a specific number.

Assemblyman Ellison:

How many other states are doing this?

Keith Lee:

I have no idea.

Assemblyman Ellison:

Could you get us that information?

Keith Lee:

We will try to get that. I am not sure it is available, but we will certainly try.

Chairman Bobzien:

That might be a question to ask the bill proponent.

Senator Hardy:

I do not know either. We have found that Nevada has put a 36-month training period in place. That is one of the challenges when you start recruiting from states that have not put that 36-month period in place. That is where I suspect not all states have done that. I would defer to the people who work with Mr. Lee.

Keith Lee:

I will volunteer. Regarding that last piece Senator Hardy spoke about, I think we can determine through our National Practitioner Data bank how many other states have the 36-month progressive postgraduate training.

Chairman Bobzien:

That would help things move along.

Assemblyman Livermore:

In some cases foreign physicians come to the United States who want to work on J-1 visas. How does this apply to that?

Senator Hardy:

Nothing is changed as far as the qualifications for the doctors who are here and coming through any other way. If you look at page 2, it defines the osteopaths. They still have to be a citizen of the United States and lawfully entitled to remain and work in the United States. They have to have a degree of a doctor of medicine from a medical school, they must have passed all of the tests and

taken all parts of the test, and they must have been eligible for medical licensing in the United States. None of those things have been relaxed at all in this bill.

Chairman Bobzien:

Is there anyone else wishing to provide testimony today? [There was no one.] Is there anyone in Las Vegas wishing to give opposition or neutral testimony? [There was no one.] We will go ahead and close the hearing on A.B. 292.

We will open the hearing on A.B. 437.

Assembly Bill 437: Revises provisions governing title insurers. (BDR 57-1173)

Alfredo Alonso, representing First American Title Insurance Company:

Assembly Bill 437 deals with an issue that has been coming our way for some time here. Currently in statute, as a title company, you can provide a prospective buyer with title insurance. As we have seen with housing prices, more and more often states have started implementing these laws throughout the country, with Utah being the latest in the West. It allows the title company to provide that same protection to the lender. Lenders are requesting it almost everywhere now in order to make sure that when they do loan on a home, they are protected as well. They are protected with respect to their first position. Otherwise litigation, et cetera, becomes very costly, and that ultimately hurts the homebuyer because you have less ability and fewer choices in terms of lenders coming into the state. Basically, the bill allows for a closing protection letter to be requested and issued to a lender.

The amendment you have before you ([Exhibit M](#)) clarifies a couple of things we did not have in the original bill. It would simply add "or entity," "under the terms and conditions of the closing protection letter as issued by the title insurer," and lastly "shall." The reason is, if it becomes a negotiating issue with sale, that could cost the title insurer quite a bit of their income trying to make sure a loan takes place.

If you have any questions, I will be happy to answer them. If there are specific questions, there is somebody from First American Title Insurance Company in Las Vegas that can answer them. Mr. Finseth is here on behalf of the Realtors.

Chairman Bobzien:

Mr. Finseth, would you like to make any comments?

Rocky Finseth, representing Nevada Land Title Association:

We are in support of the bill and amendment. That is all we wanted to get on the record.

Chairman Bobzien:

Do we have any questions for either gentleman?

Assemblyman Daly:

In regard to the \$25 fee on page 2, section 1, subsection 3, we use the language "of not less than \$25." How much do those letters cost? Is it \$25 for a copy? I do not understand.

Alfredo Alonso:

Title insurance companies are subject to regulation by the Commissioner of Insurance, and therefore, that number basically has to be a standard fee that is placed within their statute. We are regulated by another entity, and the fee is standard throughout the country, and that is why we are using the standard fee that is used everywhere else these letters are issued. You are not transferring title insurance to a lender now. Mr. Dalton in Las Vegas can answer any specifics about that if I have missed anything.

**Russell Dalton, Vice President and State Underwriting and Agency Director,
First American Title Insurance Company:**

The \$25 is expected to be a standard fee, and it is a minimum fee. We file all fees we are charging with the Division of Insurance. We think that the different title insurers that are issuing the closing protection letter will file substantially the same fee.

Assemblyman Daly:

The way I read it is, if there are two parties in the transaction, and one of them wants to get this free-and-clear title, usually the lender makes the purchaser or somebody get it. If the other person wants to have the letter as well, do they both have to pay the \$25, even if just one is getting a copy? My understanding is that you can charge a higher fee if it is a long, drawn out process to get it.

Russell Dalton:

We do plan on charging per letter. Sometimes the lender wants the letter, sometimes the buyer wants the letter as well, and sometimes even the seller wants the letter. If we issue the letter to each of the parties, there could be a separate charge for each letter.

Chairman Bobzien:

Are there additional questions? [There were none.] Do we have any more support of the measure? Mr. Dalton, do you have any additional comments on this?

Russell Dalton:

I was just here to answer any specific industry questions.

Chairman Bobzien:

Are there any additional proponents? [There was no one.] Is there any opposition? [There was no one.] Is there anyone neutral? [There was no one.] We will close the hearing on A.B. 437.

We will open the hearing on Assembly Bill 434 and welcome back Mr. Alonso.

Assembly Bill 434: Revises certain requirements for an application for a certificate of registration to practice as a registered interior designer. (BDR 54-1172)

Alfredo Alonso, representing TAL Studio, Las Vegas, Nevada:

I bring this to you because this has been a unique situation within Nevada. Our particular client is more of a consulting and branding firm. Todd-Avery Lenahan, the founder of TAL Studio, has done work throughout the world with respect to large casinos and hospitality type brands. He has taken on some of the Strip casinos you see every day. People would come to him, and he would create a vision of what that product would ultimately look like and brand it.

In the last three or four years, we have had issues with the State Board of Architecture, Interior Design and Residential Design. The concern has always been whether he fits into that category or not. Ultimately, the discussion was that Mr. Lenahan would in fact get licensed. Interestingly enough, he had credentials and criteria that he would need to take the test. He could sit for the exam and has sat for the exam, but he cannot get licensed.

We are in a bit of a quandary because the Board believes that *Nevada Revised Statutes* (NRS) 623.192 does not give them the leeway to license him even though he has a degree in architecture. We believe there are other people who probably fit this category.

We came before you with this bill to indicate that if a person was an architect, the Board could license him or her as a designer. The Board has come to us, and I believe someone here can attest to this, with language that we agree is a compromise and gets us there. The only thing we ask is that we can get on the record that this will do it for this guy. He is a world-renowned consultant in this field and works all over the globe. He is doing work probably 80 percent of the time outside of the country but makes Las Vegas his home. Those dollars come into Las Vegas and are spent in Nevada.

Those are the kind of people we want here. If we can find a way license this poor fellow, it would be appropriate. If the individuals with the Board could attest that this will work, we will obviously work with them. We have looked at their language, and it seems satisfactory.

Chairman Bobzien:

Do we have any questions for Mr. Alonso?

Assemblywoman Carlton:

I guess my confusion lies with someone who is doing an artistic rendering to give someone an idea of what a Forum Shops at Caesars Palace would look like. It has no architectural significance, no safety significance with no fire lines or ingress or egress. It is purely a fantasy drawing of what you might possibly want to look at in your hotel. The fact that he is considered a designer does not make any sense to me at all. Anybody can draw pictures and create the idea graphically.

In the interest of compromise, I am trying to at least register this high-end professional in some way so he has the recognition. The fact we have someone who can sit for the architectural exam and still have problems, I am really confused as to where this jumped the tracks. I honestly do not understand why this person has to be licensed at all. You know me; I will license them if they show up, but in this case, I do not get what we are trying to do. Are we setting up other people with the hotels who do these graphic renderings to be considered practicing with a license? Is there an unintended consequence of taking this position and scooping it into this? We could hear in two years, "I had this employee for four years, and they helped me pick out paint chips. Now all of a sudden he has to be licensed too." Mr. Alonso, could you help me understand this?

Alfredo Alonso:

That has been our concern throughout. Again, he normally acts as a consultant to architects. He himself is an architect. He renders these conceptals, and that has been his business for many years. He is not originally from Las Vegas but makes Las Vegas his home. So you understand his mindset. Previously he was a principal of design for Walt Disney Imagineering worldwide. Now he is doing this on his own, and he has enough experience and credentials to sit for the exam. How we do not have the ability to license him is still beyond me. The confusion is that he has not had to be licensed in any other jurisdiction.

Assemblywoman Carlton:

My concern is that by trying to address this problem that has been brought to light, we could have a future impact on other people in other areas if the

Architecture and Design Board decides they want to reach their long arm into other professions. I want us to be cautious on this.

Assemblyman Livermore:

I agree with Mrs. Carlton on this. I am concerned about salespeople and others who work with wallpaper, tile and marble, and all of the lights that could be classified as interior design. How far down the line does that go?

Alfredo Alonso:

It is a good point. I think that is sort of the net we were caught in. Again, my client has absolutely no issue with getting licensed except that he cannot get licensed. I would have liked to have fixed this problem in another venue, but we felt we had no other choice.

Chairman Bobzien:

Do we have additional questions for Mr. Alonso?

Assemblyman Hansen:

Why are we adding, in subsection 4, "including, without limitation, any violation that might reasonably call into question the qualifications or experience of the applicant"? Does this have anything to do with this man?

Alfredo Alonso:

No. I am assuming they put that in there because if they are opening up a little bit, they want to make sure they have the leeway to say no to any bad guys. I guess that is the assumption here.

Chairman Bobzien:

Mr. Alonso, I appreciate the individual's desire to be licensed. Was there any thought given to saying, for purposes of interior design, what this individual is engaging in does not bring him in and explicitly cutting him out, so there is no concern with the need to be licensed?

Alfredo Alonso:

As Assemblywoman Carlton knows, these board issues can be interesting at best, and lengthy and difficult at worst. Our feeling was that he, and others like him, simply want to have a little more leeway in the statutes so they can continue doing business in Nevada. That is our goal here. Ultimately, I think that should be revisited at some point because it is probably a little too tight. Our people believe it is one of the tightest statutes they have seen. We have a week before deadline, so you can imagine our angst of opening this issue up.

Chairman Bobzien:

Ultimately, he just wants to end the pain. I believe we have opposition, and perhaps that opposition is a little more heated after my suggestion.

David Goodheart, representing State Board of Architecture, Interior Design and Residential Design:

As Mr. Alonso said, we are up here in opposition in name only. We do support his measure, and we have come together with some compromise language ([Exhibit N](#)) that will get his client licensed if it is passed.

Chairman Bobzien:

Are there questions for Mr. Goodheart?

Assemblyman Ellison:

Let me see if I can understand this. There is an owner who wants to build a new casino or a new façade on the front of the casino. I am going to create something new for the architect who is designing the building. I am not actually doing the building. All I am doing is give you a conceptual drawing based on what I can see in my head and the owner's needs. Is that what they are talking about in this bill? They are not actually doing the design but rather just the conceptual drawing that could go to the engineer or the architect. Is that right?

David Goodheart:

That is correct.

Assemblyman Ellison:

Why are you in opposition to this?

David Goodheart:

We are not in opposition. It is only because we are bringing this amendment that changes the technical language a little bit. That is why I appear in opposition.

Chairman Bobzien:

Thank you, Mr. Goodheart, for your observation of our rules about what constitutes opposition testimony.

Assemblywoman Carlton:

Let us get down to where this jumped the tracks. Following Mr. Ellison's line of questioning, this person is drawing pictures, doing graphic art, et cetera. They are conceptual renderings. Why did the Nevada State Board of Architecture feel they would need to get a grip on this person? Why does he have to be

licensed? Keep in mind, there are other people who may be doing this in other industries, and we want to be wary of who we touch.

David Goodheart:

In a way, I believe it was the other way around. I think Mr. Alonso's client was more concerned about being licensed than we were about licensing Mr. Alonso's client.

[Mr. Alonso indicated no.]

No? I apologize.

Assemblywoman Carlton:

That is where it jumped the tracks.

David Goodheart:

I will get back to the Board and get back to you.

Assemblywoman Carlton:

There is not a lot of time, so we will skip that question. That is one we will have a bit of follow-up on. I also want to understand, if you can provide it for me, the statutory authority that would deny this person the opportunity to do his job.

David Goodheart:

I will do so.

Assemblywoman Carlton:

When we know that, we will understand better how we can fix this problem and not impact other graphic artists and people who are doing work in those 30-story factories we have on Las Vegas Boulevard. We do not want to impact the artistic avenue that is located within those buildings.

David Goodheart:

I will get that information to you as soon as possible.

Chairman Bobzien:

I think it is a very important line, and there are a lot of people in the broad advertising world who will do these sorts of illustrations and renderings for the inside of retail locations, et cetera. When I start thinking about this, it goes on and on and on.

Are there additional questions for Mr. Goodheart? [There were none.] Is there any additional opposition? [There was no one.] Is there any neutral testimony on this bill? [There was no one.] We will close the hearing on A.B. 434.

The meeting is adjourned [at 3 p.m.].

RESPECTFULLY SUBMITTED:

Julie Kellen
Committee Secretary

APPROVED BY:

Assemblyman David P. Bobzien, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Commerce and Labor

Date: April 5, 2013

Time of Meeting: 1:09 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 22	C	Kelly Richard	Work Session Document
A.B. 226	D	Kelly Richard	Work Session Document
A.B. 228	E	Kelly Richard	Work Session Document
A.B. 426	F	Kelly Richard	Work Session Document
A.B. 492	G	Kelly Richard	Work Session Document
A.B. 306	H	Peter Maheu	Proposed Amendment
A.B. 486	I	Kristie Ince	Written Testimony
A.B. 486	J	Anne Perkins	Written Testimony
A.B. 486	K	Charter Communications	Written Testimony
A.B. 292	L	Board of Medical Examiners	Proposed Amendment
A.B. 437	M	Alfredo Alonso	Proposed Amendment
A.B. 434	N	David Goodheart	Proposed Amendment